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Discussion Paper

REPORT OF THE ROYAL COMMISSION  
ON CONDITIONS OF FOREIGN SERVICE -  
POSSIBLE RESPONSES

The Honourable Allan J. MacEachen  
Deputy Prime Minister and  
Secretary of State for External Affairs



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REPORT OF ROYAL COMMISSION ON CONDITIONS  
OF FOREIGN SERVICE - POSSIBLE RESPONSES

OBJECT

The object of this paper is to consider the observations, options and recommendations of the Report of the Royal Commission on Conditions of Foreign Service (McDougall Report) and possible responses to them.

BACKGROUND

Commission's Terms of Reference

By Order in Council P.C. 1980 - 2336 of August 27, 1980, Miss Pamela A. McDougall, formerly Deputy Minister of National Health and Welfare, Chairman of the Tariff Board and for many years a senior officer of the Department of External Affairs, was appointed as Commissioner "to examine into changes in conditions of foreign service and to report on steps that the Government might take to accommodate them in the context of its approach to the legal, administrative and operational frameworks of the Foreign Service...." The full text of the Order in Council, providing the terms of reference of the Royal Commission, is provided in Annex A.

The Prime Minister, in a letter to Miss McDougall of August 28, 1980 setting out his views on the questions he wished the Commission to examine, referred to "dissatisfaction which seems to be prevalent in the foreign service; a dissatisfaction which relates to the roles of Foreign Service Officers, the various roles of the foreign service itself and how both of these are perceived, both within the foreign service and externally". He was concerned that this dissatisfaction "may be undermining the motivation of members of the foreign service" and hoped that in her inquiry Miss McDougall would put the emphasis on contacts with members of the service and their families and that she would meet as well with representatives of the foreign service staff and community associations.

The Prime Minister stressed that, while the study "must deal with perceptions of foreign service roles", it was "not meant to be an inquiry into the role of the foreign service." Among the specific questions which the Prime Minister wished Miss McDougall to examine were:

- whether "perceptions of the foreign service, as well as perceptions within the

ranks of that service, are based on a concept of diplomatic practice grounded in an age which has disappeared and which, in any case, predates Canadian experience";

- how to "encourage and preserve the high degree of motivation which has characterized the Canadian Foreign Service";
- how adequately the Government has accommodated to social and individual values and to differences in living conditions confronted by foreign service members abroad compared to those in Canada (including such factors as aspirations of women, equality in marriages and pressures on family life); and
- perceptions of personnel at posts abroad about foreign service management and whether a separate foreign service management system is required.

#### Report's Conclusions and Recommendations

Miss McDougall submitted her 443 page report on October 27, 1981 and it was tabled in the House of Commons on December 15, 1981. Its findings and recommendations are based on responses to questionnaires sent to all foreign service employees and their spouses and dependants; written submissions; and reports prepared by Commission staff and outside consultants; visits to over forty per cent of Canadian posts; meetings with a great many members of the foreign service community in Canada and abroad and with the relevant staff associations, the Foreign Service Community Association, a few academics and representatives of the private sector, officials of federal and provincial government departments and agencies, officials of some other foreign ministries and a few members of the interested public. Divided into three main parts (Miss McDougall's own fifty-five page report, a collection of staff reports and background papers), the Report reaches ten general conclusions, makes fifty-three specific

recommendations and identifies a great many additional options for action which the Government is also invited to consider.

The ten "general conclusions" of the Report are that:

"1. Everything possible should be done to mitigate the adversarial atmosphere that characterizes so many aspects of employer-employee and employer-family relationships in the foreign service.

2. Concrete action should be taken to recognize the spouse as a key human being in foreign service life and the family unit as the core of a rotational career service.

3. The caste system, which dominates the foreign service and unnecessarily reduces the support staff, their families and often other groups to the status of second class citizens, must be attacked immediately.

4. The incentive system for service abroad must be restored and made to reflect more accurately the changing character of foreign operations as well as the changing face of the foreign service.

5. Career aspects of rotational foreign service (for both officers and support staff) require much more attention than has heretofore been seen as possible or necessary.

6. Action must be taken to ensure that consolidation of the foreign service works and does not simply exacerbate existing difficulties.

7. Systems now in place need to be evaluated and improved in order to establish foreign policy objectives and priorities, co-ordinate and integrate Canadian international policies and activities and give direction and guidance to posts abroad.

8. The imbalance that now exists between Ottawa and posts abroad needs to be corrected; it is essential to let managers manage and make them manage.

9. The relationship between government and the foreign service needs re-orientation and strengthening. Attitudes must change and decisive leadership must be shown. This is the key to improving morale.

10. The career rotational system should be maintained as the best approach to foreign service, but there should be no legislation establishing a separate personnel regime for the foreign service."

The text of the fifty-three specific recommendations is provided in Annex B. The first fifty-two are substantive and are divided into four broad categories: (I) Environment and the Family with very heavy emphasis on the need to correct perceived status differentiation and discrimination among various categories of employees and on the role of the family and particularly spouses; (II) Benefits and Compensation with recommendations for more flexible administration and specific enhancements of the Foreign Service Directives (FSDs); (III) The Management of Human Resources with emphasis on the need for much higher priority to be placed on the development and application of personnel management policies and practices that will respond to the unique circumstances of the foreign service and the career development aspirations of its members; and (IV) Managing the Foreign Service of Tomorrow, recommending steps to correct impressions that the activities and product of the foreign service are irrelevant, incorporation of the Trade Commissioner Service into a consolidated foreign service, amendment of the External Affairs Act, a clear separation between policy and operations at the most senior level, maximum decentralization of authority to heads of post, improvements in budgetary and accounting procedures and development of a ten-year plan of retrenchment of overseas activities.

The fifty-third recommendation calls for the Report to be tabled in the House of Commons and to be referred to the House Standing Committee on External Affairs and National Defence, for the Department of External Affairs and the central agencies involved to report to the Committee one year later on steps taken in response to its recommendations and for the Committee to "deal with the report as a separate item on the Parliamentary agenda and not as part of the consideration of the Estimates".

#### Review of Report

Shortly after the announcement on January 12, 1982 of the reorganization of the Department of External Affairs to incorporate the trade component of the former Department of Industry, Trade and

Commerce, the Prime Minister invited the Secretary of State for External Affairs to take the lead in reviewing the Royal Commission Report and in developing a proposed response. This Discussion Paper explores the considerations taken into account in that review.

#### FACTORS AND ALTERNATIVES

Set out below and divided into the four broad subject headings employed in the Royal Commission Report is a discussion of the background, factors and possible courses of action relating to each of the principal issue areas covered in the Report's observations, recommendations and suggestions.

## I - ENVIRONMENT AND THE FAMILY

The concept of the "family" is central to the Royal Commission's examination of the conditions of foreign service. In the opening passages of the Report the Commissioner declares that, when she speaks of the foreign service, she is talking about "people" - both employees themselves and "their spouses and companions and children", that is families, even when a family may have only one member. While the promotion and protection of Canadian interests internationally must be the principal goal of the Department of External Affairs, Departmental experience with its assignment process confirms the validity of the priority the Commissioner places on the family and the morale and welfare of individual members of the foreign service in ensuring that the foreign service can fulfil its role effectively.

Also central to the Commissioner's examination is recognition of the special circumstances of foreign service life, including not only the variety and stimulation of travel and exposure to cultural diversity, a comfortable lifestyle at some posts and, for many, the satisfaction of representing Canada abroad, but also such negative factors as the repeated disruption inherent in rotational service, prolonged separation from family and friends, a sense of isolation especially at small and remote posts, the absence at many posts of basic amenities and services Canadians at home take for granted and the need to adapt rapidly to difficult cultural environments and living conditions.

The Commissioner found that the foreign service "still attracts and retains a high calibre of employee - one who responds to challenges, is stimulated by change and adjusts extraordinarily well to a variety of living and working conditions" and that "for these employees and their families... the balance between satisfaction and dissatisfaction is still positive." She stresses, however, that there is growing dissatisfaction with foreign service among employees and their families and, as evidence of this, points to "disturbing attrition rates in the junior foreign service officer ranks, particularly among francophones," increasing difficulty in persuading experienced clerical personnel to accept hardship postings, an increasing

reluctance of senior officers to accept head of post assignments and high numbers of employees seriously contemplating departure from the service - phenomena that have concerned foreign service managers in recent years and which were cited in the April 1981 submission to the Commission by the Department of External Affairs.

As the Commissioner points out, her inquiry was directed chiefly at isolating and analyzing the elements that create what she describes as "a schizophrenic pull between attachment to the foreign service and its personal and professional rewards and the desire to escape to the perhaps duller but more predictable (or more controllable) life in Canada." In diagnosing the causes of growing dissatisfaction and prescribing solutions, she points to a wide variety of personnel and overall management policies and practices but focuses the most attention on conditions that confront foreign service employees and their families most immediately in their various environments abroad. In this she particularly singles out perceived over-emphasis on status differentiation and the situation and role of spouses but also points to such factors as security and personal safety, housing, health care, education and the availability of recreational facilities. The Royal Commission's findings and proposals in these and related areas, including options offered in its Staff Reports, are discussed below.

#### Status Differentiation and Equity

One of the most striking conclusions of the Report is the Commissioner's assertion that a "caste system ... dominates the foreign service and ... unnecessarily reduces support staff, their families and often other groups to the status of second class citizens." While recognizing that "Canada can do little in the short term to change the international diplomatic tradition with its hierarchical establishment of messengers (Ambassadors), advisers (Counsellors), scribes (First, Second and Third Secretaries) and others" and that this system "needs to be maintained for formal diplomatic activity at the post on the basis of the existing international pattern", the Commissioner declares that "surely we have enough initiative and imagination to ensure that it doesn't contaminate the general atmosphere at posts abroad and put the support staff in an intolerable position."

Arguing as well that "status differences must cease to be reflected in inequitable treatment at posts abroad, particularly in housing and financial areas" and that "much depends on the attitudes of senior management at the Post", the Commission recommends, inter alia, that "explicit instructions be issued by Ottawa to all posts to ensure equitable treatment of administrative support staff". (Recommendation #8)

Although specific instances were not cited, several kinds of inequitable treatment were referred to in the Royal Commission Report or were said to exist by some employee groups during the Department's review of the Report's findings. Those mentioned include unwarranted disparity in housing; failure to devote equal concern to the settling in problems and general welfare of persons of different rank and unjustifiably preferential treatment in the granting of leave, the scheduling of overtime, the provision of household furnishings or access to recreational facilities.

Examination of these claims indicates that, to the extent inequitable treatment does exist in the foreign service, it stems from the insensitivity of individual employees rather than from Departmental policies or regulations. The Department of External Affairs is clearly committed to the concept of equitable treatment and, during the past two decades, has made very substantial progress in applying it. A major step was the introduction in 1969 of the FSDs which removed a number of discriminatory features relating to allowances and other matters that had existed in the previous regulations. Letters of Instruction to heads of post encourage them to exercise a leadership role in eradicating any lingering traces of perceived inequities among personnel.

To underline further the Department's determination to persist in its efforts to remove inequities in the treatment of staff wherever and whenever they occur and to influence the attitudes of foreign service members who, unconsciously or deliberately, have applied discriminatory treatment, the Department might usefully issue a policy statement of the kind envisaged by the Royal Commission. Such a statement might be backed up by strengthening the attention given to the question of equitable treatment in Letters of Instruction for new heads of posts and in pre-posting briefings for heads of post and other employees, particularly

those with management responsibility; by devoting more careful attention to complaints about inequitable treatment and by including more specifically in the management review process the assessment of the application of the equitable treatment policy by individual heads of post and other Departmental managers.

Several points must nevertheless be borne in mind in dealing with the problem of equity of treatment in the foreign service. A distinction must be made between inequity and legitimate differential treatment. For example, the influence of job-related representational requirements on the allocation of housing or on the provision of hospitality allowances or equipment which arises from legitimate program needs might involve differential treatment but does not per se constitute inequity. The Department cannot normally create a social organization at posts abroad that is markedly more egalitarian than that of Canadian society in general. Nor would it be feasible to try to eliminate at posts hierarchical structures roughly equivalent to those commonly found and accepted throughout the Public Service and in most other work places in Canada. It must also be recognized that differing levels of compensation, often resulting in unequal life styles, are no more inequitable by virtue of their presence in the foreign service than they are in Canadian society at large and that, within reasonable bounds, such differences are clearly necessary as an incentive to service and as recognition of achievement. Recognition of these factors and unavoidable use of some of the customs of international diplomatic practice must not, however, lead to their misapplication as excuses for inequity. Moreover, foreign service managers must accept that differential treatment, even when it is equitable, may have a greater impact on employee morale and efficiency abroad than in Canada. Abroad, employees and their families are cut off from relatives, lifelong friends and the familiar social support systems that may prevent or mitigate feelings of inequity when they are at home.

Immediately succeeding sections of this paper consider the question of differential treatment as it applies specifically to diplomatic

status, privileges and immunities and the provision of passports. The question is also further explored in a separate section on the concerns of single employees and referred to in the sections on security and personal safety and on accommodation.

#### Diplomatic Status, Privileges and Immunities

The Commissioner points to policy and practices relating to diplomatic status, privileges and immunities as areas in which steps could be taken to reduce differential treatment of various categories of foreign service employees. Specifically she recommends that:

- "Diplomatic status be requested for all service members when there is any question that its absence would jeopardize their personal security or that of their families" (Recommendation #4);
- "Health and Welfare doctors overseas be given diplomatic status and the appropriate passports wherever they are stationed or accredited" (Recommendation #5);
- "Diplomatic status be granted to members of the administrative and support staff in recognition of long service"; (Recommendation #6); and
- "Management take positive action to ensure that non-diplomatic personnel either benefit from diplomatic perquisites or are adequately compensated through the allowance system" (Recommendation #7).

While one of the Commission's staff reports refers to the option of requesting diplomatic status for all employees on a reciprocal basis, the Commissioner herself saw "no justification or need for giving all support staff diplomatic status."

In international law as governed by the 1961 Vienna Convention on Diplomatic Relations and in the long established general international practice under which diplomatic relations are conducted, a distinction is made between members of diplomatic missions who have diplomatic functions

and those who do not. The expression "diplomatic status" as used in international practice describes the situation of persons who carry out diplomatic functions. Although interpreted with varying degrees of rigidity from one state to another, the most widely accepted definition of "diplomatic functions" is the following description of the functions of a diplomatic mission in Article 3 of the Vienna Convention:

- "(a) representing the sending State in the receiving State;
- (b) protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law;
- (c) negotiating with the Government of the receiving State;
- (d) ascertaining by all lawful means conditions and developments in the receiving State, and reporting thereon to the Government of the sending State;
- (e) promoting friendly relations between the sending State and the receiving State, and developing their economic, cultural and scientific relations."

The granting of privileges and immunities to persons performing diplomatic functions has responded historically to a practical necessity. In order to conduct diplomatic relations states must dispatch agents to foreign states and will normally do so only if such persons (as representatives of the sending state) are exempt from local jurisdiction and are extended the basic privileges and immunities necessary for the efficient fulfilment of their responsibilities. On the basis of reciprocity, diplomatic privileges and immunities contribute very substantially to the normal operation of the international system through free and unhampered diplomatic communication and functions, maintenance of the dignity of the sending state, and facilitating the efficient performance of diplomatic missions. This functional basis helps also to explain the immunities extended to diplomats in third states and on temporary duty, and to non-diplomatic staff who have no diplomatic or representational status but who must be free to perform their official duties without hindrance. Non-diplomatic members of missions, described in the Vienna Convention as undertaking "administrative and

technical" functions, are not entitled under the Convention to diplomatic status. The distinction is not of great practical significance as both diplomatic and non-diplomatic members of diplomatic missions are customarily granted sufficiently broad privileges and immunities (e.g. inviolability of the person and private residence, immunity from criminal jurisdiction) to enable them to perform their duties without hindrance in a normal foreign environment.

The privileges and immunities granted to technical and administrative staff of diplomatic missions are, however, more restrictive than those for diplomatic staff in that their personal baggage is not exempt from inspection, they are granted exemption from customs duties only on first installation, and their immunity from civil and administrative jurisdiction applies only to acts performed in the course of their duties. The second of these restrictions has the greatest effect as, in those countries where it is strictly interpreted and customs duties are high or prohibitive, it can lead to situations in which mission members with diplomatic status may be placed at some economic advantage relative to non-diplomatic members of a mission. (Freedom from customs duties is not without limit. Canada and most other countries place limits on duty-free import privileges to guard against abuse.) The relative disadvantage experienced by non-diplomatic staff is mitigated to a considerable extent by the fact that, when host countries do not object, Canadian and indeed most other diplomatic missions place collective orders for duty-free goods in which non-diplomatic staff may join. However, it is true, as the Royal Commission has found, that access to duty-free goods across the Canadian foreign service has been uneven for a variety of reasons related to such factors as host country restrictions over which Canada has no control and the practice established over the years at individual missions.

#### General Canadian Practice in Seeking Diplomatic Status

Canada's practice in requesting diplomatic status for Canadian staff abroad is, with some

limited exceptions, closely based on the functional approach adopted both in the Vienna Convention and in general international practice. Diplomatic status has been sought for all foreign service officers, all administrative officers and officers of other departments who have been deemed to be performing diplomatic functions at posts abroad. Staff abroad performing purely administrative and technical functions, with the exceptions noted below, have administrative and technical status in the countries to which they are assigned. In November 1979, however, senior management of the Department of External Affairs agreed that diplomatic status could be requested for members of support staff groups "where there has been a pattern established of harassment by local security forces; a pattern established of severe difficulties of a personal nature such as civil disturbances; or where the office manager, in the absence of an administrative officer, is requested to perform diplomatic functions." Exceptions of this kind are consistent with general international practice.

It is not within Canada's power to ensure that the full privileges and immunities granted normally to persons with diplomatic status are granted to all of its support staff abroad. While Canada can seek such privileges and immunities for any member of a Canadian diplomatic mission, there can be no assurance that many host countries would, except in exceptional and limited circumstances of the kind noted above, grant them to persons who were clearly not performing diplomatic functions that could reasonably be seen to fall within the definition provided in the Vienna Convention. While slavish adherence in all circumstances to the terms of the Vienna Convention would be neither practical nor in keeping with general international practice, there continues to be good reason for Canada to follow international norms as closely as possible consistent with the effective fulfilment of the tasks of our missions abroad and the security and safety of foreign service personnel.

#### Diplomatic Status and Personal Safety

Current departmental practice is consistent with the Commission's recommendation that diplomatic status be requested for all foreign service members when there is any question that its absence would jeopardize their personal security or

that of their family. Diplomatic status has been sought and obtained for all Canada-based staff and their families in a number of countries in which, because of local conditions, the head of post has determined that diplomatic status is required to enhance personal security and safety. It is established Departmental policy to respond positively to requests by heads of post for such action when it can be reasonably demonstrated that diplomatic status would contribute to this end.

#### Diplomatic Status and Health and Welfare Doctors

Health and Welfare Canada (HWC) doctors serving at Canadian posts abroad now perform three separate and distinct functions: medical screening of applicants for immigration to Canada, the provision of a limited measure of health care for Canada-based staff (discussed below) and the gathering of medical intelligence data. In the past it was considered that none of these functions fell sufficiently within the ambit of those generally regarded as "diplomatic" to warrant requests for diplomatic status. This practice has coincided with the view of foreign service management that requests for diplomatic status should be seen, both by host country authorities and by members of the foreign service, particularly those without diplomatic status, to be based on a clearly defensible and equitably applied function-related criterion.

A survey conducted in the course of the Departmental review of the Royal Commission's recommendation reveals, however, that most of the countries surveyed (ten "Western" countries) who have medical doctors serving at their missions request diplomatic status for them. Should HWC doctors be accorded greater responsibility for the health care of personnel at our missions, as is recommended by the Royal Commission and considered under "Health Care" below, this expanded role would require HWC doctors abroad to engage in not only closer consultation with host country officials but also more travel with confidential medical records and medical supplies in their possession. Under these circumstances and in the light of the practice of other "Western" countries, a strong argument can be made for adopting the Royal Commission's recommendation. It cannot be assumed that all countries would automatically accept the nomination

of HWC doctors as diplomats, but it is unlikely that such a limited extension of Canadian practice would be seriously resisted in more than a few host countries, if any. It must be recognized, however, that some support staff would object, arguing that in many instances their functions are no less "diplomatic" than those of the HWC doctors and that social rather than functional distinctions had been made.

#### Diplomatic Status in Recognition of Long Service

The Royal Commission's recommendation that diplomatic status be "granted" to support staff members in recognition of long service seems to proceed from the assumption (recognized as invalid elsewhere in the Commission's Report) that diplomatic status is a perquisite that the Canadian Government can extend unilaterally to an employee as a reward. As the recommendation is inconsistent with international practice (confirmed by the Departmental survey of "Western" countries), it could be difficult to implement unless applied on a very limited basis.

In terms of personnel management, implementation of this recommendation could create sensitive situations, for example one in which a member of the support staff who has risen rapidly through the ranks did not have diplomatic status while a subordinate with a less spectacular but longer career did. Other means of rewarding long service are already embodied in the FSDs. (For example, the amount of the basic foreign service premium received by an employee reflects not only salary level and number of accompanying dependants but also length of service abroad.) Moreover the Department of External Affairs has recently launched an Administrative Trainee Program open to members of all support staff groups. Under this program successful candidates, chosen on the basis of merit not seniority, will eventually be appointed as rotational administrative officers and will, by virtue of their functions, enjoy diplomatic status while serving abroad.

Diplomatic Benefits or Compensatory Mechanisms

In practice and in the absence of any foreseeable amendment to the Vienna Convention or major shift in international practice, the widespread acquisition of diplomatic privileges for administrative and technical staff at posts abroad or substantial improvements in the privileges they now possess could be achieved only through the negotiation of bilateral reciprocal agreements with countries in which Canada has diplomatic missions or by arrangements which would grant support staff diplomatic privileges without seeking diplomatic status. While the possibility of concluding such agreements may be worth pursuing, it is not at all clear that enough countries are sufficiently eager to secure substantially greater privileges for their own administrative and technical staff for such an approach to offset concerns in some countries about increasing the number of persons in their territory with diplomatic privileges or to meet the Royal Commission's concerns. The Canadian Government might itself have reservations about entering into such arrangements on a widespread basis. In any event, such a generalized process of negotiations would be time-consuming, would spread over several years and would require consultations with the provinces concerned (principally Ontario and Quebec) as they would have to share the responsibility for implementing the reciprocal aspects of the system, notably in the area of tax concessions. Moreover, under the Diplomatic and Consular Privileges and Immunities Act, of 1977, unless a member of the staff of a diplomatic mission in Canada is designated as being a diplomatic agent, the Secretary of State for External Affairs cannot accord privileges and immunities equivalent to those enjoyed by diplomats. Adoption of this approach would require amendment of the Act.

As diplomatic privileges are not likely to be obtainable for most support staff in the foreseeable future, the establishment of compensatory mechanisms would appear to be the only very promising avenue for placing Canadian diplomatic and non-diplomatic staff on a reasonably equitable benefits footing, short of denying diplomatic staff the privileges they would otherwise have. Where practicable and permissible, collective ordering may give non-diplomatic staff some of the benefits that diplomatic staff enjoy and help obviate the need for other compensatory measures.

However, as noted above and for a variety of reasons including in some instances host country disapproval, collective ordering practices are not universal or identical at all posts. Nor do they address the problems presented by local taxes on gasoline or other goods which, by Canadian standards, can be exorbitant in many countries.

One approach to resolving this problem may be through amendment of the Post Index methodology which is used in the FSDs to bring the purchasing power of an employee's salary abroad into line with its purchasing power in the National Capital Region. The current methodology (Paasche system) is not sufficiently flexible in its application or discrete in its results as applied to individuals to serve as a vehicle for taking into account lack of access to diplomatic perquisites. As discussed under "Benefits and Compensation" below, the Royal Commission has suggested (Recommendation #24) the adoption of a refined Post Index methodology - the Laspeyres system - which is used by the U.S. State Department and is centered on the concept of "spendable income". This is an estimate of the amount an individual actually spends on goods and services and varies according to base salary and family size. Such a system may be sufficiently flexible and discriminating to enable provision to be made for some recognition of the presence or absence of diplomatic privilege, as reflected in price relationships for diplomatic and non-diplomatic staff. It may entail no additional net cost to the Government if an appropriate balance can be struck between indexes set for support staff and those for diplomatic staff.

Other possible approaches include:

- reimbursing individuals for actual and reasonable costs incurred because of the absence of diplomatic status. While attractive in theory and possibly the most equitable, this approach would entail a very heavy additional administrative burden of perhaps up to fifty person-years at posts and headquarters.

- the institution of an allowance for non-diplomatic staff members on a country-by-country basis and derived from an analysis of the amount of tax paid by an "average" non-diplomatic family unit at each post with separate levels for single employees and for married employees with or without children;
- the payment to employees without diplomatic status of a percentage bonus over and above the Foreign Service Premium on an averaged and general basis; or
- the creation of several levels of discerned "purchasing hardship" into one of which each post would fall.

All the options have certain attractions and drawbacks, but, pending further study, the use of amended Post Index methodology appears more administratively and financially feasible than the others. Future consideration in the National Joint Council (NJC) of the Royal Commission's recommendation on the amendment of Post Index methodology will provide an early opportunity to consider this approach.

#### Passports

Pointing out that the Canadian Government has "absolute control" over the type of passport it issues to Canadian citizens and maintaining that it should remove "discrimination" among employees in the granting of travel documents within the foreign service, the Royal Commission proposed in Recommendation #3 that "the same type of passport be issued to all foreign service members, their spouses and dependents (sic)". The Commissioner indicated a preference for eliminating all but the ordinary passport and issuing that document to all Canadian Government employees going abroad, regardless of rank. As an alternative she saw a two passport system with an official passport for all those now qualifying for diplomatic or special passports and an ordinary passport for non-official use. Another approach, which she thought "may be judged necessary for reasons of personal and public security", was

"simply to eliminate the special passport" - in other words to provide diplomatic passports to all members of the foreign service serving abroad and accompanying members of their families.

The Royal Commission staff report on "The Foreign Service Environment" contains two additional suggestions relating to passports: that individual passports be issued to children of members of the foreign service to facilitate quick evacuation in emergencies and (inconsistent to a degree with the Commission's formal recommendation) that "Canadian diplomatic passports" be issued to foreign-born foreign service spouses who had not yet acquired Canadian Citizenship, to avoid disadvantages and inconveniences some spouses in this situation have experienced.

While providing prima facie evidence of the status of the bearer, a passport of whatever type is primarily a travel and identity document and does not under international law confer upon the bearer any particular status, privileges or immunities. Most countries issue passports to members of their foreign service that correspond to the status ("diplomatic" or "administrative and technical") that the bearers would normally be accorded by the receiving State in accordance with their functions in a diplomatic mission as defined in the 1961 Vienna Convention on Diplomatic Relations. The issuance of passports, whether "diplomatic" or "special", to members of the Canadian foreign service has followed this functional approach. Canada has made exceptions, as have many other countries, to issue diplomatic passports to administrative and technical personnel when this has been considered essential for reasons of security or personal safety or to enable the persons concerned to perform their duties.

A survey of the practices of ten "Western countries" conducted during the course of the review of the Royal Commission Report has indicated that eight of the ten by and large follow the functional approach. The two exceptions, the U.K. and the U.S.A., have distinctly different approaches. The U.K., in a system adopted before World War II, issues ordinary passports to all members of the British foreign service except diplomatic couriers. However, enquiries made of British authorities indicate that the absence of diplomatic passports has inconvenienced diplomatic personnel in certain circumstances, that employees have been exerting

pressure to have the present policy reviewed and that, with the expected introduction of a common European Community passport in 1984/85, the U.K. will be under additional pressure for change. The U.S.A., in late 1979, enlarged the categories of persons entitled to diplomatic passports to include inter alia all foreign service support staff and marines serving at U.S. diplomatic missions (although not support staff employed abroad that do not belong to the U.S. foreign service).

The advantages and disadvantages of several options have been considered in response to the Royal Commission's recommendation on the issuance of passports to all personnel. It is clear that the provision of ordinary passports to all foreign service members would expose those who would otherwise be issued diplomatic passports to additional risks and inconvenience without in any way bolstering the morale of those who do not now have diplomatic passports. Although general international practice favours the functional approach and, technically, passports themselves do not confer status, privileges or immunities, there can be no doubt that the possession of diplomatic passports is likely to facilitate rather than hinder the travel of members of the foreign service and can provide a certain additional measure of protection to persons who might otherwise be subjected to inconvenience, embarrassment or risk.

Despite a chance that border officials of some countries will have difficulty understanding disparities between the type of passport carried by certain members of the Canadian foreign service and their status, it has been decided in principle by the Deputy Prime Minister and Secretary of State for External Affairs, for announcement as part of the Government's overall response to the Royal Commission Report, that henceforth diplomatic passports may be issued to all members of the foreign service posted abroad and to their accompanying spouses, including non-Canadian spouses, and dependants. The Deputy Prime Minister and Secretary of State for External Affairs has also decided that separate passports may henceforth be issued for all children of members of the foreign

service serving abroad to facilitate evacuation if necessary.

### Personal Safety

Contrary to her own expectations, the Commissioner found that personal safety (which she termed physical security) was not the factor having the greatest negative effect on the attitudes of Canadian foreign service personnel and their families abroad. She noted, however, that Canadians have been lucky in not becoming the target of terrorist attack, that this luck could be transient and that in countries where personal safety is a serious consideration Canadians are as vulnerable as other foreigners to crimes of violence. The Commissioner observed that, although employees and families took these dangers in their stride, they did wish the employer to take all necessary steps to ensure the adequacy of personal safety arrangements at home and in the office, to recognize the particular vulnerability of children and single female employees and to ensure that adequate steps are taken to deal with emergencies, including evacuation plans and back-up communications between staff quarters and offices. Without being specific, the Commissioner alluded to "some evidence" that, despite Treasury Board recognition of the need to fund a carefully planned upgrading of security arrangements, plans to improve personal safety had been slow to be implemented "for reasons of austerity, insufficient staff or just plain disinterest". The Commissioner recommended that: "The employer take all necessary steps to ensure physical security [personal safety] arrangements abroad and that funds earmarked for security be among the 'untouchable' elements of the External Affairs budget" (Recommendation # 13 ).

The Department of External Affairs has in recent years placed substantial and increasing emphasis on the personal safety of employees and their families abroad, although the views of individual members of the foreign service community inevitably differ on the need for and adequacy of the measures to be taken in different circumstances and at different posts. Under the Vienna Convention, host governments have an obligation to provide measures for the protection of foreign representatives. The Department, recognizing that such protection is often inadequate and dependent entirely on the goodwill and/or technical capacity

of the host country, has conducted a Personal Safety Program since the early 1970's. The Program has been based on four guiding principles:

- "appropriate protection" based on careful assessment of the threat;
- "equity" to all personnel at the same post and to all posts that share a similar level of threat;
- "persons before property" with protection designed to reduce the risk of confrontation with intruders; and
- "shared responsibility" emphasizing the role of the individual employee, the responsibility of the post, and support from Headquarters.

From its inception the Personal Safety Program has reflected the Department's concern as a responsible employer for safe working conditions, the need to ensure that insofar as possible employees and their families should not be placed in a more hazardous situation when abroad than when serving in Canada and the need to attract and retain highly qualified employees for service abroad sometimes under hazardous conditions. In recognition of the importance of these factors and the growing risk to Canadians serving abroad, the Personal Safety Program was substantially expanded in 1976. In view of the priority attached to the Program by the Department, the Treasury Board approved the diversion of funding from other Departmental programs to meet identifiable personal safety deficiencies at high risk posts. In the fiscal years 1977/78 to 1981/82 operational and capital expenditures for the Personal Safety Program totalled \$5,888,717 exclusive of personal safety equipment provided for newly acquired property and of the salaries of administrative personnel.

As a result of efforts over the last decade personal safety at missions abroad has been substantially upgraded by such physical measures as:

- bullet resistant barriers and strict control of access to working areas;
- public address and alarm systems;
- emergency radio facilities;
- protective measures in staff quarters including lighting, locks, fences, grilles over windows and the creation of safe haven areas; and
- armoured vehicles and defensive driving training where necessary.

Contrary to the suggestion of the Royal Commission Report, efforts to enhance assessments of the threat to the safety of personnel and their families abroad and to devise appropriate counter-measures continue to receive high priority within the Department. In fact, in response to a submission to Treasury Board in September 1982 by the Secretary of State for External Affairs, authorization has been granted for additional substantial expenditures to continue and strengthen the Personal Safety Program in fiscal years 1983/84 through 1985/86.

The additional funds and personnel obtained will give the Personal Safety Program the greater dimension and depth considered necessary to meet the assessed threat to foreign service personnel and their families abroad. In particular, the Department will be able to focus its threat assessment more sharply, making use of inputs from individuals, posts, headquarters and friendly governments including their intelligence and police agencies. A better defined threat assessment, especially in such areas as terrorism, other violent crime and civil disorder will facilitate the more refined application of counter-measures commensurate with the assessed requirement.

Specific personal safety measures and activities which the Department intends to implement include:

- fuller explanation to employees and their families in briefings, information material and in particular in future versions of a Personal Safety Handbook on the principles, objectives and operation of the Personal Safety Program;

- clearer definition of the responsibilities of individuals, post management and headquarters for the Program and the dissemination of information to all foreign service personnel;
- more explicit attention to the Personal Safety Program in Letters of Instruction to heads of post and in pre-posting briefings for them and for others having managerial responsibilities, especially post security officers;
- improved monitoring, evaluation and application of accountability by the Department to ensure that all posts take a thorough and systematic approach to personal safety;
- delegation of as much authority and responsibility as possible for personal safety to heads of post, with parallel recognition of the need for posts to be furnished with the personnel, expertise and technical and other resources required to exercise such authority effectively;
- a more systematic and co-ordinated approach to the preparation and updating of threat assessments and the evaluation of the effectiveness of countermeasures, with such assessments and evaluations to be undertaken by and for each post at least annually;
- continuing active support of efforts to strengthen the effectiveness of international measures to counter terrorism;
- bringing the physical protective measures at all chanceries, official residences and staff quarters up to appropriate safety standards consistent with threat assessments;
- hiring the technical personnel necessary to install and maintain the already approved level of technical equipment considered necessary for personal safety at posts abroad;

- expansion and acceleration, consistent with the levels of assessed threat, of the provision of technical protective equipment, emergency radios and mobile communications equipment at posts abroad, particularly in staff quarters, and provision of the technicians required to install and maintain the additional equipment;
- acquisition, subject to a review in 1983 of future needs, of additional head of post and general purpose armoured vehicles for use at particularly high risk posts;
- training in defensive driving techniques for locally-engaged drivers in line with assessed threat;
- substantially more emphasis on personal safety training and briefing, including general briefing sessions throughout the year; specialized briefings for those having particular responsibility for the Personal Safety Program, mandatory attendance at briefing sessions by Departmental employees likely to be posted within twelve months; encouragement to spouses and older dependants to attend briefings as well as the enhancement in quality and content of briefings and information materials;
- instructions to posts to provide to newly arrived employees, spouses and older family members, personal safety briefings reflecting local circumstances and to keep post personnel and their families as fully informed as possible of the assessed threat and the counter-measures selected; and
- assignment of clear responsibility and the provision of resources to ensure the review and consolidation of personal safety contingency plans, including the provision of contingency planning guidance to posts, the regular monitoring and maintenance of such plans and the development of a system whereby the Department will compile up-to-date basic

personal information and medical documentation on all personnel and their families serving abroad together with post emergency contact procedures.

During 1982 responsibility for the Personal Safety Program at headquarters was rationalized by the creation of an Emergency Preparedness Division, co-located with the Department's Operations Centre. The Division has among its responsibilities emergency planning, crisis management and matters related to international terrorism. Its future responsibilities will include the further development of capabilities related to threat assessment, contingency planning, briefings and information.

#### Health Care

Concern about health care was not among the most prominent issues mentioned by employees and dependants who responded to the Commission's questionnaires. Only four per cent listed it among the three things they found "most dissatisfying" in their foreign service careers. Nevertheless, the views of the majority on the adequacy of health care abroad were negative. The Commission's analysis of responses to its questionnaire reveals that sixty per cent saw a greater possibility of encountering health problems at their posts than in Ottawa, slightly more than half considered health care at the post to be bad and about one third was dissatisfied with the health programs provided by HWC before and after postings. There was also considerable agreement among employees and dependants surveyed on the inadequacy of HWC doctors and their services overseas as well as on the need for clearer policy and procedures for medical evacuation.

The Foreign Service Community Association (FSCA), in its submission to the Commission, made a number of recommendations reflecting members' concerns. These included improved medical examinations before and after posting; a more comprehensive "clinical treatment" orientation to the role of HWC doctors abroad; greater use of registered nurses at posts and better coverage of health matters in post reports.

The Commission found that the Public Service Health Program overseas and the medical personnel executing it suffered a credibility and confidence problem largely because of the lack of a clinical treatment component to supplement the counselling and advice given under the program's existing "preventive health care" approach. She also found that inadequate local health care services and uncertainty about medical evacuation policies and plans were causes for concern to employees and dependants in many countries. In a health-related finding the Commission also noted that psychological stress, particularly in high risk locations, could be a serious problem. The thrust of the Commission's recommendations and proposals flowing from the above findings are twofold: to orient the Public Service Health Program overseas to a more clinical treatment approach and to help meet the problem of stress by paying special attention to the practical and psychological preparation of individuals being posted to high-risk areas (Recommendation # 16 and related observations).

#### Views of HWC

HWC is convinced that Canadians serving abroad are, in many locations, at greater health risk than in Canada and strongly supports the Commission's recommendation that HWC's overseas mandate be broadened to include a measure of clinical treatment. HWC continues to view prevention as an integral part of medical care, attaches particular importance to psychological testing of employees and their families and wishes more weight to be given by foreign service management to its views in the overseas assignment process.

#### Improving Health Care Services

Canada obviously cannot implant the infrastructure and personnel that would be required to provide a level of medical care equivalent to the Canadian norm at posts where this does not already exist. Consequently, health care for employees and dependants abroad must continue to rest primarily on the dual foundation of host country health services, where and to the extent they are satisfactory, and medical evacuation in cases that cannot be treated

adequately by local services. The services of HWC medical doctors under the Public Service Health Program overseas and of part-time contract nurses at a number of particularly unhealthy or difficult posts can be a useful supplement. Cost effectiveness and the need at many posts to rely on medical evacuation for the most serious problems limit the possibilities for improvement. These appear to lie in three areas: more effective use of host country medical resources when they are adequate; cooperative arrangements with other diplomatic missions at the limited number of posts where such arrangements are possible and feasible; and some expansion of the role of HWC doctors beyond the purely consultative mandate they now have. However, as the underlying problem - inadequacy of local medical facilities and persons at many posts either generally or with respect to specific major medical problems - is beyond Canada's control, such approaches can be viewed only as palliatives, not complete solutions.

Making the most effective use possible of local medical resources is established policy. Medical officers are expected as a matter of course to establish and maintain liaison with local medical practitioners and institutions with a view to assessing their capacities and to improving access to them of Canadian personnel and their families. As HWC has pointed out, however, the utility of such liaison is limited at posts where medical personnel and/or facilities are inadequate.

Cooperative arrangements with other diplomatic missions already exist at some posts. In Moscow for example, Canada, Australia and the UK share the cost of maintaining a British doctor. In some other Eastern European posts there have been understandings among American, British and Canadian doctors to visit each others' posts alternately at one month intervals. In a number of other posts there are a variety of informal ad hoc arrangements among the British, Australians, Americans and Canadians. There is every reason to continue to join in such arrangements wherever feasible. However, because of the variety of circumstances involved, HWC does not consider that such

arrangements can be made throughout the world or that they would, in many more difficult posts, constitute an adequate response to Canadian foreign service health care needs. Moreover, were consideration given to formalizing such arrangements and to the provision by HWC doctors of medical treatment to foreigners outside Canada, there could be significant legal and accreditation obstacles. For example, problems that could be encountered with liability for alleged negligence or malpractice involving the treatment of foreigners, with the position of the Canadian Medical Association and provincial licensing bodies as well as with foreign medical associations and governments, would have to be satisfactorily resolved.

#### Expanded Health Care Role for HWC Medical Personnel

HWC now has twenty-four medical officers serving at fourteen posts. As is evident from their distribution - ten in Western and Southern Europe, six in Southeast Asia (Hong Kong, Singapore and Manila), three in the Caribbean, two in India, two in Africa, and one in Latin America - they are involved primarily in immigration-related duties rather than the health care of Canadian foreign service employees and dependants. However, eighteen part-time nurses at particularly difficult posts - ten in Africa, five in Asian Islamic countries, two in Eastern Europe and one in China - are contracted by HWC to assist with the health care of Canadian foreign service personnel and their families. HWC doctors normally visit and provide preventive counselling two to four times a year at the fifty-three posts HWC has established as having inadequate medical facilities, although such visits may be made only annually to very small posts.

Where other less costly arrangements cannot be made some expansion of the role of HWC medical officers and the introduction of a clinical treatment approach as recommended by the Commission would appear to offer some promise for marginal improvement in the health care available to the Canadian foreign service community at medically difficult posts. On the other hand, maintenance of only the existing "preventive counselling" approach,

while perhaps difficult to explain, would obviate the need for any additional resources and would probably not have dramatically adverse effects on foreign service morale. While it might be ideal to have an HWC doctor at each medically difficult post, this not only would be very expensive but would not be cost-effective given the small foreign service population at most posts. HWC has suggested that an appropriate course would be the ultimate establishment of mini-clinics at up to forty-four medically difficult posts at which the Canadian population is large enough to justify them.

#### The Mini-Clinic Approach

Features of HWC's proposed mini-clinic approach include the establishment, within the Canadian mission, of a small health clinic staffed by a part-time contract nurse at posts where medical officers are not resident, supplemented by regular visits from a regional HWC medical officer. Between medical officer visits the nurse would be the primary health care contact for the Canadian foreign service community and would work under the clinical supervision of the appropriate Canadian physician. The clinic would be equipped with standard medications and medical supplies. Contract nurses, as well as medical officers during their periodic visits, would fall under the administrative authority of the head of post.

The contract nurse attached to the mini-clinic would, on a day-to-day basis, provide first aid and treat minor illnesses or injuries; maintain and dispense drugs and medical supplies on the advice of the regional HWC medical officer; advise and counsel; liaise with local physicians; provide preventive health care; make hospital visits to Canadian personnel; generally support the medical officer and, in the medical officer's absence, provide advice to the head of post on local health care problems and medical evacuation.

Contract nurses would be supported by more frequent visits of HWC medical officers whose duties would be expanded to include a treatment component as well as the health counselling, immunizations and cross-posting examinations which have been provided in the past. Generally speaking, however, treatment services provided by medical officers would be limited to the provision of medication and, in some

cases, to minor surgical procedures such as suturing and removal of small growths.

In support of the mini-clinic concept and in response to criticism of HWC doctors encountered by the Royal Commission and by the Department of External Affairs, HWC points to its recruitment over the past three years of well-trained qualified doctors with a strong interest in treatment and counselling. HWC sees no reason why local authorities would object to treatment facilities for Canadians on mission premises. While HWC acknowledges that the existence of mini-clinics would probably not significantly reduce the number of medical evacuations required, it does believe that their creation would help alleviate the anxiety of Canadian personnel at posts where local medical services are inadequate.

HWC has determined that authority to operate such clinics is provided by Section 5 of the Department of National Health and Welfare Act. The incremental cost of establishing mini-clinics at forty-four posts (which HWC would propose to meet from its already approved resources) would be approximately \$640,000 the first year and \$290,000 per annum thereafter for medical equipment, medication, contract nursing services and medical officer travel. HWC believes the services of an additional six medical officers serving abroad would be necessary at a cost in 1982-3 dollars of about \$1 million per annum to cover their salaries, removal, housing, allowances and work-related travel.

#### Mini-Clinic Pilot Project

As widespread adoption of the mini-clinic approach would be costly, a two-year pilot project is being conducted at ten posts (Mexico, Port-au-Prince, Peking, Dar-es-Salaam, Abidjan, Dhaka, Accra, Lagos, Yaounde and Kinshasa) to determine the viability of such clinics. Selection criteria for these posts include adequacy of local medical facilities, scope for cooperation with other missions and the number of Canadians who would be served. The ten mini-clinics would make services available to approximately 350 Canadian employees and dependants. Medical officers are already resident in Abidjan and Mexico City and, except for Port-au-Prince, the other posts already have part-time contract nurses. HWC is meeting from its already available resources the funds required to

cover more frequent travel by medical officers as well as medical equipment, additional contract nurses and medicines for the pilot project. No additional medical officers are necessary. The Department of External Affairs is providing office space as well as non-medical furnishings. A conjoint evaluation by External Affairs, HWC and the Treasury Board Secretariat will be undertaken at the end of the second year, on the basis of evaluation criteria established in advance to determine whether the mini-clinic approach should be abandoned or be extended to other posts at which HWC considers local medical facilities to be below acceptable norms. Given the relatively high cost of the mini-clinic approach and the expense implicit in putting more medical officers in the field, any such evaluation might also review the distribution of medical officers abroad. In view of the relatively heavy concentration of medical officers in countries with adequate medical facilities (fourteen in Bonn, London, Hong Kong, Paris, Rome and Singapore) it may be possible, should their immigration responsibilities allow, to achieve significant economies through the redeployment of some HWC doctors to more medically difficult posts. In addition, to ensure that over a period of time a corps of highly qualified medical officers capable of handling health care problems at our medically difficult posts is developed, it would appear desirable to give the Department of External Affairs a greater role in the selection and assignment of medical officers for duties overseas and in the assessment of their performance. (The question of integrating HWC's medical officer positions abroad into the establishment of the Department of External Affairs has been considered separately in a report of July 27, 1982 by the Task Force on International Activities of Government Departments and Agencies.)

#### Medical Examinations in Ottawa

Despite the Royal Commission's finding that "A distressingly high proportion of foreign service members do not view the pre- and post-assignment medical examinations as useful or meaningful", there is good reason to believe that negative perceptions of HWC's pre-posting and after-posting medical examinations are largely based on experiences of some years ago. HWC is convinced

that its medical examination performance has improved, points out that many persons have expressed their satisfaction with the thoroughness of the examinations and sees no need for significant changes in the procedures now followed. HWC believes that current procedures are adequate to evaluate with confidence the suitability of employees and their families to serve abroad, assuming that HWC has sufficiently complete medical histories and employees divulge all relevant information. In fact, the vast majority of foreign service personnel and dependants do successfully adapt to difficult conditions abroad. However, some twenty-six terminations of posting took place for medical reasons in 1981. The majority were due to the physical health of employees and dependants, less than half a dozen were for reasons related to mental health and several more were due to alcohol abuse. These problems all tend to be more frequent at difficult posts. It seems clear that, in some cases, more thorough evaluation of the likely consequences of a posting based on medical histories, the results of psychological assessments and an examination of personal records would lead to the determination that an individual or family might not adapt to a particular posting. Despite the Public Service Health Regulations, not all employees and families are psychologically assessed and full scale assessment is normally confined to testing before a first posting unless specific reasons for subsequent testing are identified by HWC or client departments. HWC points out that, on a number of occasions, its recommendations against postings for psychological and for other health reasons, including alcohol abuse, have been ignored by client departments. HWC proposes to undertake a study of the effectiveness of its psychological assessments in reducing the need for repatriation, making use of its records and data from client departments. The study would include a review of the components of the existing psychological screening process with a view to making modifications to enhance forecasting accuracy.

#### Medical Evacuation

As indicated earlier, health care at posts lacking adequate medical facilities will, in serious cases, entail recourse to medical evacuation for

which provision is already made in the FSDs. The relevant directive - FSD-41 - is designed to ensure that an employee and/or dependant has access to necessary and suitable health care facilities and services on a cost effective basis. It provides for health care travel, including emergency medical evacuation, and is applicable to all Canadian personnel and their families at posts abroad. In practice, this provision of the FSDs appears to work smoothly and effectively.

It would appear highly desirable, however, to remove the uncertainty the Royal Commission detected about the decision-making process involved in medical evacuations. At present, authorization for travel under FSD-41 is vested in headquarters and, technically, approval must be sought from the Department of External Affairs in Ottawa in consultation with HWC. Such approval is usually granted within twenty-four hours or sooner if requested by telephone and it has been assumed that, without the final authority actually being vested in heads of post, they would exercise their own judgement in emergency cases and not unduly delay evacuation while awaiting headquarters authority. There would seem, however, to be no overriding administrative or other reasons for not delegating clearly to heads of post the authority to invoke FSD-41 without recourse to headquarters on the basis of the advice of competent local medical practitioners when possible and/or the regional HWC medical officer if time permits. It would seem wise, however, to require heads of post to seek headquarters advice before rejecting a request for medical evacuation and to give them the option of consulting Ottawa when they are in doubt. The transfer of authority involved would be consistent with the wide authority exercised by heads of post in many other aspects of foreign service operations and the Royal Commission's recommendation (discussed separately below) that "maximum authority in every area of activity be decentralized to heads of post." It would also seem useful for the Department to outline its policy and practice with respect to medical evacuation in a circular document to be issued to all staff.

### Health Care Briefings and Information

Responsibility for pre-posting health care briefing is vested in the Department's Posting Briefing Centre. Its program now includes provision of available relevant information on health conditions at posts, videocassettes on health care abroad, briefings on health insurance and the health care provisions of the FSDs and workshops on health care overseas as well as responsibility for arranging appointments with HWC doctors for pre and post-assignment medical examinations. Improvements that could be made at little cost in cooperation with HWC include provision of regional and post health environment assessments, more attention to the yearly updating of the health care facilities section of post reports and more substantial briefings on HWC services overseas. As the Commission recommended, employees and dependants proceeding to high security risk posts might also be given practical and psychological preparation relevant to the post to which they are proceeding. This could include more emphasis on stress management, culture shock and alcohol and drug dependency.

### Education

In its treatment of issues related to the education of foreign service children, the Royal Commission makes two principal recommendations and, in its staff reports, offers a range of options for change which, broadly speaking, address three main areas of concern: problems associated with the continuity of dependants' education, the lack of Canadian content in education outside Canada and the lack of special education facilities at many overseas locations. (Recommendations # 18 and 19 and related observations and options).

Of all the educational problems identified by the Royal Commission, the question of continuity is without doubt the most serious. Although the problem of educational continuity affects to some degree all foreign service children, the negative

impact of switching from one school or educational system to another appears, as the Commission observed, to be felt most by francophone and anglophone children who have been enrolled abroad in the French lycée system and to a lesser extent by those children who have been enrolled in other school systems both in Canada and abroad. The solution proposed by the Commission to cope with the various manifestations of this problem is to provide financial assistance to employees to enable them to maintain continuity in their children's education while serving in Ottawa. Such assistance, the Commission suggests, should take the form of subsidization of fees at the Lycée Claudel in Ottawa for foreign service children previously enrolled in the lycée system abroad and perhaps some measure of financial support to parents who decide, during home assignments, to maintain their children's enrollment at anglophone private schools in Canada.

While it is acknowledged that problems faced by children enrolled in anglophone and francophone private education systems abroad are not mutually exclusive and that some parents may consider that their children suffer an equal measure of disruption as a result of shifts between foreign and domestic anglophone school systems, past experience indicates that, from an academic point of view, the problem is less acute for those in anglophone schools. Furthermore, neither management nor staff associations have considered that financial support for continued anglophone private school education in Canada should form an essential feature of the foreign service benefits package and few parents have made it an issue. For these reasons, despite difficulties confronted by some, it would appear that the need to introduce Government financial support measures for the continued attendance at Canadian schools of foreign service children being educated in an English-speaking system is less urgent. Measures that might be adopted to deal with problems of educational discontinuity are being explored by the Department of External Affairs and the Treasury Board Secretariat.

On the question of Canadian content, the Commission Staff Report on "The Foreign Service Environment" suggests that multi-media library materials on Canada and things Canadian, suitable

for use by children, be provided at each post abroad; that subsidized tutoring in Canadian studies be made available to foreign service children abroad and that free tutoring in Canada be provided for students who, as a consequence of postings abroad, need courses on Canadian subjects to upgrade their standards. To some extent, assistance to alleviate these deficiencies is already available. The FSDs contain provision to cover the costs of local tutoring and/or correspondence courses in Canadian studies, and a selection of books and reference material on Canada is already available in post libraries. There is, however, room for improvement. The Department has already taken a number of steps, including the recent appointment of the education counsellor and the provision to all posts of portable videocassette equipment. A program to acquire and distribute videotape materials on Canadian studies is being considered, drawing on material available from TV Ontario, the CBC, the NFB and local municipal and provincial education authorities. The Department also intends, as resources permit, to augment and upgrade over time Canadian studies reference material available at posts to include basic reference works and texts to supplement correspondence courses and video software. Over the longer term, further study relating to the upgrading or enhancement of Canadian content in education abroad is to be undertaken by the Department's education counsellor to determine what more should and could be done to ensure that foreign service children have access to appropriate Canadian studies material and can acquire sufficient background in Canadian studies to facilitate re-entry into the Canadian educational system.

The Commission's Staff Report also suggests that steps be taken to ensure that special education needs of children, particularly learning disabled children, are recognized at the time of posting abroad and that consideration be given to subsidizing play school for preschoolers. Although current assignment policy attempts to ensure, subject to operational necessities, that employees with children who require special education facilities are assigned to posts where such facilities are available, this policy could be strengthened, particularly in relation to the

identification of learning problems and the provision of professional counselling. It is expected that difficulties will be alleviated to a large degree by the efforts of the new education counsellor who has, as part of his terms of reference, the counselling of families with children who have learning disabilities or special education needs. The subsidization of costs associated with play school facilities is an issue that falls within the purview of the FSDs and, as such, would be subject to consultation between the official and staff sides in the NJC and to Treasury Board approval. In that context, it would seem appropriate to consider funding the difference in the cost of local play schools and the expense an employee would reasonably have met for similar facilities in Ottawa.

#### Recreational Hardship

The Royal Commission recommends that "Access to a basic level of recreational facilities for all foreign service members be a priority for the government and that planning to meet this objective begin immediately" (Recommendation # 17). The Commission's Staff Report on "The Foreign Service Environment" reveals that fewer than ten per cent of the respondents to the Commission's questionnaires considered that recreational opportunities for Canadians abroad compared favourably with those available to members of the foreign services of other "Western" nations. "It is clear", declares the Staff Report, "that the general lack of recreational facilities and the increased susceptibility to health problems at hardship locations serve as strong disincentives for families remaining in a rotational foreign service." The Commissioner, in her own report, points out that access to recreational facilities "is currently very uneven at the different posts and the problem is not confined to hardship posts." She also observes that "In many capitals, no one but the privately wealthy can afford memberships in the clubs that provide the only recreational facilities the city has to offer."

There can be little question that the job performance of employees depends to a great extent on their morale, their physical and mental health, and the extent to which they and their dependants can successfully cope with difficult conditions abroad. The Ministry responsible for Fitness and

Amateur Sport attaches high priority to fitness and health for all Canadians. Provincially and municipally funded facilities are heavily used throughout Canada. Positive action has also been undertaken in this regard on behalf of public servants in the Province of Alberta and for the employees and families of many major multi-national corporations.

The Royal Commission's findings and recommendations coincide with those of foreign service management. Before 1980 the question of recreation for members of the foreign service and their families was not considered as a distinct policy item. Where deteriorating conditions or underdeveloped infrastructures in many countries created a chronic lack of recreational opportunities, the Department responded on an ad hoc basis and provided relief through individual submissions to the Treasury Board for special funding or by judicious application of rededicated funds from its own budget. Such a "band-aid" approach was clearly inadequate. Recognizing that major disparities between the recreational outlets available at some posts and those available at home were an important factor in the increasing number of broken postings, difficulty in encouraging personnel to accept postings to certain countries, and medical evacuations, Departmental management concluded that a comprehensive rather than ad hoc approach was required.

Detailed analysis of existing recreational facilities at posts confirmed that substantial recreational hardship does exist at a good number of posts and generated a matrix of factors from which those inversely correlated with recreational opportunities in the National Capital Region were abstracted and weighed. The factors were: geographical restrictions (e.g. isolation and transportation problems); size of the "Western" community; local language; cultural differences; opportunities for active sports and social entertainment; libraries and reading material; local transportation; climate and security. Posts were rated against these factors and recreational hardship at each was determined quantitatively in terms of the relative availability of and accessibility to "active" and "passive" recreational outlets. Various mechanisms were identified as

sound ways of counteracting poor availability and accessibility, including subsidized club fees, acquisition or leasing of cottages and all-terrain vehicles, construction of certain recreational facilities, purchase of fitness equipment, provision of videocassette recorders and software and extra vacation travel assistance.

As implementation of specific recreational measures would probably not offset recreational hardship adequately at all posts, it was considered as well that, contrary to the Royal Commission's Recommendation # 27, the relationship between the recreational situation at a post and a posts overall hardship level and hence the level of the Post Differential Allowance should not be dropped from the FSDs. Clearly, however, any recreational measures taken would have to be considered in establishing a post's hardship level. In some marginal cases, changes in hardship levels might result.

During fiscal year 1982/83 it has been possible to make provision for a substantial expansion of the videotape hardware, feature films and some Canadian television programming available to Canadian posts abroad. About 250 videotape units will shortly be in place at the sixty-three most difficult posts. The reaction of employees and their families has been very positive. Some fitness and health equipment will also be provided to certain posts.

Using the post-by-post recreational hardship ratings established in the analysis described above, an indicative list of other measures was drawn up for implementation over the next four years at specific hardship posts. These include arrangements for cottages to be made available to foreign service personnel and their families for part of the year at seventeen hardship posts in addition to the five at which they are already available; provision of an all-terrain vehicle to each of eighteen hardship posts; provision, when other opportunities for basic recreation are absent, for the payment of recreational club fees at some twenty-eight posts in addition to the two already eligible; the installation or upgrading of athletic and fitness facilities at some thirty posts and the provision of various kinds of health and exercise equipment to most hardship posts. Treasury Board approval has been obtained for the expenditures necessary to implement these measures subject to agreement between the Department of External Affairs and the Treasury Board Secretariat on the methodology for

the selection of posts and on the specific measures to be taken at those selected. Provision is also to be made for the payment of user shares with respect to all-terrain vehicles, cottages and club fees. In addition to these measures, it is intended that the design and construction of new chanceries at posts abroad will incorporate athletic and recreational facilities when foreign service employees and families do not otherwise have reasonable access to them.

#### Staff Accommodation Issues

While placing accommodation and furnishings at the "top of the list" of "amenities that can make or break a spouse's spirit", the Commission considers that "globally, management has made great strides over the past fifteen years in improving housing and in providing comfortable and attractive contents". It concludes, however, that "certain policies and customs militate against really effective management of this key environment issue, particularly at hardship posts." The Commission specifically singles out the concept of comparability with Ottawa in setting housing standards, which, in its view, "involves judgemental decisions about Ottawa standards which are quite unrelated to the reality of the situation at posts", and the issue of representational housing which, it believes, "clouds the situation by allowing such anomalies as a single officer occupying a house that would be better suited to the needs of the family of a married clerical employee."

The Commission specifically recommends that:

- "Housing be allocated on the basis of family size, with representational responsibilities playing a minor part in the allocation at levels below the rank of counsellor; that accommodation decisions be made on a local relativity basis; and that such decisions be taken at the post with input from a Housing Committee containing adequate administrative staff and spouse representation" (Recommendation # 15); and that
- "Rent shares be decreased across the board in order to allow the elimination of deficiency adjustments in rent shares for

sub-standard accommodation"  
(Recommendation # 31).

Several additional options relating to accommodation are found in the Commission's Staff Report on "The Foreign Service Environment":

- at posts where there is a Canadian housing compound (self-contained multi-unit dwellings) some staff be permitted to live off-compound if they so desire;
- an "efficient physical plant" be provided to assist spouses of staff in home entertainment;
- provision of a guest bedroom, especially for single employees; and
- several alternatives relating to "rent shares" paid by employees including the provision of free housing for all, elimination of consideration of the number of dependants in computing rent shares, and reduction of rent shares by 25 per cent.

Other more general recommendations of the Report, such as decentralizing to the head of post the maximum authority in every area of activity and ensuring equitable treatment of administrative support staff (both considered as separate subjects elsewhere in this paper) have obvious implications for accommodation decisions.

#### Expansion and Magnitude of Housing Program

It is widely agreed that there has been a very substantial overall improvement in the housing provided to foreign service families abroad in recent years. The priority already attached to housing is reflected in the fact that the Department of External Affairs now manages well over 2,000 residential properties and \$60 million worth of furnishings at 112 locations abroad. About 22 per cent of these properties are Crown-owned, 55 per cent Crown-leased and 22 per cent privately leased. For the leased properties, the total annual rental cost exceeds \$25 million, and the Department collects more than \$7 million from employees as rent shares. Present Departmental policy is to provide furnishings for all Crown-owned or Crown-leased accommodation.

Generally, employees and their families are reasonably satisfied with their housing abroad. There are, however, a number of areas in which, given adequate resources, modest improvements might be made.

#### Concepts of Comparability and Local Relativity

Under the present FSDs, the Department is committed to a policy of supplying its staff overseas, to the extent possible, with accommodation comparable to average fully-serviced rental accommodation available in the Ottawa/Hull area, taking into account the employee's salary and family configuration, local conditions at the post and program requirements. The comparability concept is also applied in determining the rent share to be paid by each employee and the deficiency adjustment, if any, to which the employee might be entitled when housing does not adequately meet reasonable standards. It is generally recognized by management and foreign service employee groups that, despite some problems arising from rigidity in its application and a tendency for some employees and administrators to place different interpretations on its intent, the concept of "comparability", as originally conceived to include due allowance for local conditions and lifestyles, has contributed significantly to the improvement in accommodation in recent years. Although not a perfect tool, the concept provides a reasonable base against which housing can be selected and allocated and for justifying the expenditures involved.

It is far from clear that those problems that have arisen in the interpretation and administration of the "comparability" concept would be solved by adoption of a primarily "local relativity" approach as suggested by the Commission. Much of the difficulty could be overcome by re-emphasising the original intent of the comparability concept and by clarifying its essential aim and components. The use to the extent reasonable of the Ottawa/Hull norm as a base for comparison appears sound. The concept of local relativity - to give adequate weight to local conditions at the post - is already built into the comparability concept but clearly needs to be more strongly emphasized to avoid the unrealistic view of some employees and administrators that foreign service housing abroad must conform in all respects to the Ottawa/Hull norm. To overcome misunderstanding about the meaning and application

of the comparability concept as it relates to housing, it would be useful for it and the concept of deficiency adjustments to be more fully explained to personnel.

While there are some inherent attractions in the Commission's recommendation that accommodation abroad be judged primarily on the basis of what is good housing by local standards at the post, rather than in comparison with housing in Ottawa/Hull, a chiefly "local relativity" approach could give rise to considerable inconsistency in application between posts and could fail to provide an equitable standard of quality or a basis for compensation when serious deficiencies occur.

#### Housing Standards and the Representational Factor

The housing standards used by the Department today were developed from studies done in 1976 of housing in the Ottawa/Hull area occupied by persons of various salary levels and family configurations. In the application of these standards some rigidities have developed and there has been some distortion because undue weight has been given at times to representational considerations. Based on this experience, the Department is now reviewing the standards in order to express them as broad ranges within which most family and program needs and local considerations can be fitted. This approach will permit the Department to continue the trend towards more flexibility in housing allocation and a more equitable treatment for staff of all ranks and family configurations, including employees with large families and single employees. Two of the options identified in the Commission's Staff Report could be encompassed, when feasible, by the new standards - provision of sufficient space in staff quarters to enable members of the foreign service to accommodate visitors and, where compound living is the norm, arrangements for some staff to live off-compound if they so desire. However, to downplay substantially the representational factor for persons below the counsellor level would appear to introduce an unnecessary rigidity in the mix of

housing a post might hold and would ignore the fact that representational requirements do not necessarily equate with diplomatic rank.

#### Allocation of Housing

The allocation of housing is another factor of key importance to foreign service families. Allocation decisions involve a delicate balance of many elements including not only family size (as recommended by the Commission) but also program-related representational responsibilities and rental shares. These decisions are often particularly difficult to make owing to the limited choice of accommodation available. The Commission's recommendation that housing allocation decisions be taken at the post, with input from a broadly-based post housing committee, is largely met by present Departmental practice. However, the participation of posts in all aspects of the accommodation decision-making process might usefully be strengthened, particularly by delegating appropriate authority for leasing to heads of post and by underlining their personal accountability for ensuring the appropriate allocation of staff accommodation and the maintenance of the quality and integrity of furnishings and fittings.

Post housing committees are already in operation at nearly all posts, with membership selected to give appropriate representation to the various programs and staff categories at the post. These committees serve as a channel for improved consultation at the post level between management and employees and their families. The committees help to prevent inequities from arising in the allocation, upkeep and furnishing of accommodation as between officers and support staff or between single and married employees. While such factors as program-related representational responsibilities, salary and family size are legitimate elements in allocation decisions, there is need to recognize that, in the interests of equity, the quality of accommodation, furnishings and maintenance services should be based primarily on need rather than rank. Given the importance of housing allocation for the well-being and morale of foreign service personnel, it would be useful to reaffirm that equitable treatment of all staff with respect to accommodation

services, as in all other matters, is a fundamental administrative principle of the Department.

#### Rent Shares

It is evident that the reduction or elimination of rent shares, as proposed by the Commission, would run counter to the established principles of comparability with Ottawa/Hull and that housing be neither an incentive nor a disincentive to service abroad. Given the limits of available resources, particularly in the current climate of budgetary restraint, adoption of this proposal would in all likelihood lead to an equivalent reduction of other foreign service benefits, thus largely negating any contribution it may make to morale. Moreover, given the provision now made in the FSDs for the conclusion of occupancy agreements, the maintenance of the present "economic" rent shares would serve to retain a useful degree of realism in the housing system and be generally consistent with the quasi landlord-tenant relationship that now exists. In these circumstances it would be desirable to retain the present rent share formula at least until the next triennial review of the FSDs. In any event, the feasibility of reducing or eliminating rent shares was considered and rejected in the round of consultations in the NJC that led to the April 1, 1982 amendments to the FSDs.

#### Deficiency Adjustments

Deficiency adjustments are an integral part of the "comparability" approach and serve to compensate the small but significant number of employees who live in unavoidably unsatisfactory housing at some posts. The elimination of deficiency payments, along with a general reduction in rent shares, as proposed by the Commission, would confer an additional benefit on the large majority of well-housed employees at the expense of others who, given local conditions, have no choice but to occupy sub-standard accommodation.

As administered at present, a deficiency adjustment is expressed as a percentage reduction in rent share and is related to the quality of accommodation but not to that of the furnishings and fittings, on the grounds that the latter are not considered in the formula by which the rent share is determined. There is no mandatory upper limit for a deficiency adjustment, but current practice is to

grant rent reductions of 10, 20 or 30 per cent, with 30 per cent as the maximum. One of these percentage levels is appropriate in most cases where accommodation is not far below acceptable levels and where long-term opportunities for improvement are negligible. But occasionally a situation arises in which an employee is asked to occupy accommodation well below standard on a temporary basis until a satisfactory solution can be found. In such cases, deficiency adjustments of more than 30 per cent - perhaps even 100 per cent in extreme circumstances - could be justified. Accordingly, it would appear desirable not only to retain deficiency adjustments but to make their application more liberal. At the same time, however, the Department should maintain its goal of providing housing at least reasonably comparable to Canadian standards and not come to regard deficiency payments as a long-term panacea.

Authority to implement deficiency adjustments currently rests with headquarters, but there would appear to be good reason to delegate this power to heads of post within appropriate guidelines. The great majority of deficiency adjustment decisions now taken at headquarters confirm post proposals. The decision could rest with the head of post in instances where the deficiency related to an individual staff quarter and was expected to be of reasonably short duration, while requests for longer term, across-the-board deficiency adjustments for all or most staff quarters at a post could require an adequate submission to headquarters.

#### Furnishings

The intent of current Departmental policy is to provide a fully acceptable standard of furnishing for all Crown-held accommodation and to regard the outfitting of staff quarters as an integral part of the Departmental housing program. In the interests of equity the Department supplies the same quality of furnishings for all staff quarters, regardless of the rank of the employee.

The former rigidity in the furnishing program has now been largely replaced by a more flexible approach. Furnishings are selected from a

steadily widening range of items, purchased from Canadian manufacturers whenever it is economical to do so. Input from the post and the individual concerned is used where feasible. However, the methodology for approving new items of furniture or appliances still remains somewhat restrictive, in that only items found in 60 per cent of the households in the Ottawa/Hull area are authorized. It might be useful to review and update this guideline so that labour-saving devices most foreign service personnel are likely to possess in Canada, such as dishwashers, could be supplied. This would be in line with the suggestion put forward in the Commission's Staff Report that "efficient physical plant" be provided. At the same time there would be merit in retaining current flexibility for post and individual input in the selection of furnishing schemes and fittings and for expanding this flexibility wherever possible while retaining the emphasis of the Department's existing purchasing policy on Canadian procurement.

#### Maintenance

Complaints about the maintenance of accommodation and furnishings were encountered by the staff of the Commission during their interviews abroad and have been raised by employee groups during the Department's review of the Commission's findings.

Although a major DSS study in 1979 concluded that the then existing maintenance funding levels were inadequate and the Department's budget for maintenance was adjusted to take account of its findings, there is still evidence that some posts are making inadequate financial provision for the maintenance of staff quarters. Moreover the DSS study did not address the problem of furnishings and consequently the level of funding provided for their repair or replacement was not reviewed. Over the course of the next year the Physical Resources Branch will be conducting a thorough study of questions related to the maintenance of staff quarters and furnishings abroad which will include, inter alia, a detailed assessment of funding requirements and the identification of measures that might be taken to enhance the effectiveness with which Departmental holdings abroad are administered.

While the recent establishment of a Maintenance and Professional Services Unit within the Physical Resources Bureau has contributed to the resolution of certain administrative problems at

headquarters, posts abroad, which now control some 70 per cent of maintenance funds, face a growing administrative burden arising from their responsibilities for accommodation and materiel, including the need for planning and carrying out maintenance on a regular basis. Many posts are seriously short of suitably qualified personnel in this area. The recent reintroduction of the administrative officer category should help to ease this problem over time. There is, however, every reason for the Department to place increased emphasis on both the pre-posting and long-term training needs of all staff, especially administrative officers and office managers, who will be responsible for managing accommodation and other physical resource programs abroad. Post management might be directed to pay closer attention to the need for forward planning for the maintenance of properties and regular replacement of furniture and fittings through the annual budget process, and to the timely and effective implementation of maintenance and replacement programs on an ongoing basis.

#### Headquarters Administration

Within the Department of External Affairs, broad policies on housing are developed by special task forces or working groups and endorsed by senior management, but there is no mechanism for keeping these matters under continuing review. Among the various branches and divisions at headquarters, the primary responsibility for accommodation policy rests with the Physical Resources Branch, even though its principal role is one of program delivery rather than policy formulation. Various divisions in the Department's Personnel Sector as well as geographic divisions are also involved. At present less than 10 per cent of the staff of the Physical Resources Branch is rotational, and there is a fairly widespread feeling, justified or not, among rotational personnel that accommodation decisions are taken at headquarters by persons who lack full appreciation of foreign service requirements and conditions overseas. In the light of this, it would appear most desirable to increase the proportion of rotational staff, especially FS and AS, in the

Physical Resources Branch, particularly at the policy and managerial levels. In addition, the method for developing and reviewing accommodation policy could be improved by regrouping the policy aspects of all accommodation services, including furnishings and fittings, into one clearly identifiable unit in the Physical Resources Branch, with a mandate to keep accommodation-related issues under continuing review and to make periodic recommendations to senior Departmental management.

Steps are being taken to overcome the shortage of trained personnel at headquarters to administer the expanding housing and maintenance programs, through expansion of the numbers of trained specialists. In addition, to facilitate pre-posting preparations, concerted efforts could be made to provide staff proceeding on posting with improved information on their accommodation including up-to-date photographs, floor plans and details of standard furnishing schemes. Consideration could be given to whether responsibility for providing this service should rest with the Physical Resources Branch, Personnel Administration Division or the Posting Briefing Centre.

#### Crown vs Private Leases

Since the mid-1970's very substantial progress has been made in increasing the proportion of Crown-held accommodation abroad. At present only 20 per cent of accommodations are covered by private leases, mainly in the USA and at several Western European posts where suitable rental accommodation has in the past been reasonably available. All other staff accommodations are Crown-owned or Crown-leased and, as such, are provided with furnishings owned and maintained by the Crown. The Department's original aim was the conversion of all private leases other than in the USA to Crown leases by the mid-1980's, a measure designed to save the cost of shipping private furniture, to reduce disruption to the employee and family during moves and to achieve greater uniformity of treatment. Expenditure restraint has substantially reduced the original momentum of the conversion program. In some of those cities (e.g. Paris, Rome and a few U.S. cities) where some or most foreign service personnel are still housed in privately leased accommodation it is becoming increasingly difficult to find good quality rental accommodation reasonably close to Canadian missions. Moreover, at those posts where some staff occupy Crown-held accommodation while others do not, problems of equity and morale can arise when staff members with

Crown-held housing are perceived to enjoy significantly greater benefits than those who do not - for example in the higher quality of furnishings that may be provided and post responsibility for maintenance and for dealing with difficult landlords. At the same time, however, private leases may give greater flexibility to post management in the allocation of accommodation in certain circumstances, avoid major fit-up and maintenance expenditures, entail less administrative back-up by the post and give those employees who wish it greater choice in the selection of accommodation and furnishings.

In the light of these considerations, Treasury Board approval has been secured for the acceleration of the program to make it possible for all staff quarters, other than those in the United States, to be converted to Crown leasing and furnishings arrangements by 1987/88.

It has been suggested by some employees that - beginning immediately, in the interests of greater equity and as an interim measure - all new leases be concluded as Crown leases without Crown furnishings necessarily being provided until resources are available. Such a sudden step might overtax the administrative resources at some posts and create greater pressure for Crown furnishings than the Department would be able to meet at once. A more feasible option would appear to be the acceleration of the conversion program already approved and a greater measure of assistance to employees confronting unusually difficult problems with privately leased accommodation.

#### The Foreign Service Spouse

Of all the questions dealt with in the Royal Commission's Report and in its relevant staff reports, the role and situation of spouses and their influence on foreign service morale and effectiveness are the issues to which the most attention is devoted. This emphasis has been reflected as well in statements and comments made by the Commissioner since the Report's release. In the Commission's view, spouses "too long have gone unsung and unheralded for the part they play in representing Canada abroad and making it easier for rotational employees to do their jobs."

Five of the Commission's specific recommendations related directly to spouses:

- "Spouses be recognized as individuals in their own right and be communicated with directly." (Recommendation # 1);
- "Steps be taken to create conditions under which spouses have the freedom to fit into foreign service life in the way that best suits their individual needs and choices." (Recommendation # 9);
- "The government pay a foreign service premium to spouses based on the premium payable to the employee." (Recommendation # 10);
- "A position of official residence administrator be created at each post and that the spouse of the head of post have the right to this position." (Recommendation # 11); and
- "The Department of External Affairs take special steps to assist foreign-born spouses to acquire citizenship on the basis of the judicial rulings now in force. Furthermore, should there be any move to amend the residence requirements of the current Citizenship Act in such a way as to negate the judicial rulings, the special provisions of the old Citizenship Act should be re-instituted." (Recommendation # 12).

The Commission's staff reports contain many observations on the situation of spouses and offer for consideration numerous additional options for action to alleviate problems they face. The Commission's recommendations and the staff report options are considered in the immediately succeeding sections of this paper.

#### Recognition of Spouses and their Contribution

There is no question that the great majority of the spouses of rotational employees make a vital contribution to the effective functioning of the foreign service. All who have served overseas recognize that one of the most positive influences on the performance of a married employee is a supportive spouse, that spouses more often than not carry most of the burden of organizing repeated moves, of maintaining the cohesion of the family in the absence of normal Canadian support mechanisms and of ensuring that the family adapts to strange, sometimes inhospitable environments. With married employees often pre-occupied with their work in the

Canadian environment of the mission or in dealings with host country officials, it is usually their spouses who take the lead in venturing into the local environment to arrange children's schooling, to shop, to deal with local medical practitioners and institutions, to make the arrangements necessary to enable the employee to fulfil work-related representational requirements and to deal with landlords, tradesmen and municipal officials. Quite often this confronts spouses with adjustment problems more difficult than those with which the employee must deal and usually occupies much more of the spouse's personal time than would similar activities in Canada. Moreover, those spouses who in Canada would pursue their own careers and earn their own incomes are, as the Royal Commission points out, often denied the option of doing so while abroad.

There would, it seems quite obvious, be every reason for the Government to make it clear in its response to the Royal Commission Report that it understands the special difficulties foreign service spouses face and greatly values the support spouses individually and collectively provide to the promotion and protection of Canadian interests abroad. It seems equally desirable to assure spouses that foreign service management is committed to pursuing all practicable and feasible avenues for enabling them "to fit into foreign service life in the way that best suits their individual needs and choices". It would probably be wise to note at the same time, however, that there are unavoidable and insurmountable legislative, regulatory and practical limits to the extent to which the wide variety of individual needs and choices of foreign service spouses can be met and that, ultimately, employees and their spouses must themselves make the choice between acceptance of the conditions of foreign service life as they find them or pursuit of their personal goals and aspirations in other walks of life.

#### Communication with Spouses

As the Commissioner observed, there is at present very little direct communication between the Department and the spouses of employees. Although spouses are welcome to attend a variety of pre-posting briefings and have access to some Posting Briefing Centre materials, the formal direct communication which does exist is normally on an ad hoc basis, usually with the express consent of the

employee or when the employee is not available. The absence of organized habits and forms of communication with spouses undoubtedly has stemmed from the Department's first responsibility for communication with its employees, the frequently invalid assumption that employees will usually pass on to their spouses any information in which they might be interested and understandable reluctance to become directly involved in employee-spouse relationships when this does not occur. It has also stemmed from the absence of up-to-date data on the names and addresses of spouses.

Within the bounds of legal and administrative feasibility there are, in fact, few obstacles to more direct communication with spouses on a wide variety of questions of clear interest to them. There is no apparent reason for not providing direct to spouses who request it general information about such questions as foreign service organization and conditions, conditions at posts or in cities or countries to which they may be assigned, language training and briefing sessions available to spouses, the benefits and compensation provisions of the FSDs, public service health and superannuation plans, housing to which a family might be assigned or employment opportunities for spouses abroad or in Ottawa. While it would not be practical or indeed necessary to provide information of this kind automatically and regularly to all spouses, there is no overriding legal or administrative need to route all such information through the employee as has generally been the practice in the past. (To avoid misunderstanding, it should nevertheless be noted that the Department currently is under no legal obligation to supply information to spouses who are not employees, except where provisions of the Human Rights/Privacy Acts apply with respect to records containing information about individuals).

While the aspirations of spouses for direct access to information and for direct communication with the Department would appear to present few difficulties in most instances, there are limits to the Department's ability to respond. First, there are certain types of personal information about an employee that the Department is prevented under the Human Rights/Privacy Acts from

providing to or discussing with a spouse without the employee's consent. There are also questions which would be administratively very awkward to discuss with a spouse and/or could lead to legal complications if an employee's approval were not obtained. Falling into these categories, for example, are information or judgements, specific to an employee, relating to performance appraisals, promotion prospects, salary, allowances, leave entitlements and other compensation and assignment and posting decisions. For obvious reasons the Department is not at liberty to discuss with spouses classified information relating to an employee. Moreover, certain employees would object and, indeed, already have objected to the suggestion that the Department should discuss with or provide information direct to their spouses on the grounds that this would constitute an unwarranted intrusion into their private affairs and marriages. It is difficult to see how the Department could refuse to respect the wishes of an employee in such cases.

One practical and real but not insuperable obstacle to the provision of information to some spouses is the need to determine their identity. This task is usually not very difficult when a couple is serving abroad but is not always a straightforward matter in the case of de facto marital relationships while employees are assigned to headquarters or when married couples are not together at a post. To ensure that there can be direct communication with spouses it would be necessary in many instances to request each employee to provide the spouse's name and address, even though, paradoxically, a few spouses feel so strongly about their independent identity that they might consider even this intervention by the employee to be tantamount to assigning spouses to second class status.

Were it decided to provide information much more freely direct to spouses, it would seem wise, as a further practical matter, to divide eligible information into two classes: information to be provided automatically and information to be provided or discussed only in response to specific requests. It would seem preferable to begin any automatic distribution of material on a relatively modest scale until employee/spouse interests and wishes are better known and resource and organizational implications can be more accurately determined. As a first step, it would seem useful to distribute to all 'designated' spouses of rotational employees information about briefing

sessions conducted by the Posting Briefing Centre and advertise the fact that a variety of information is available to spouses on request. It would also seem desirable that a focal point be established for contact between spouses and the Department. The focal point could be the employee's personnel assignment unit, a "Community Liaison Office" were one established (as discussed below), or the Posting Briefing Centre. Although the incremental resource requirements of such a service are impossible to calculate precisely without knowing the level of demand that would be placed upon it, it seems likely that, at the outset, no less than one additional person year would be needed to despatch material and respond to specific enquiries.

#### Foreign Service Premium for Spouses

Adopting the view that it would be very difficult and excessively complicated to devise a wide variety of ad hoc mechanisms and compensation measures to meet the particular and different circumstances of most spouses, the Commission recommends that, instead, "the Government pay a foreign service premium to spouses based on the premium payable to the employees" (Recommendation # 10) and suggested that such a premium be "based on and not less than half the amount being paid to the employee and without prejudice to that amount." In the Commission's view, a foreign service premium for spouses would "go some way toward compensating for lost income", "reinforce the spouse's independence and freedom of choice" and "recognize in a tangible way the role spouses play and the personal disruption and uprooting they undergo to suit the exigencies of the Service".

As discussed earlier, there is no question that spouses suffer, often in greater measure, all of the disruptions and inconveniences confronted by employees as a result of foreign service rotationality. They often have to cope with the difficulties of the local environment to a greater degree than do their employee partners, usually without the compensating satisfaction of pursuing their own careers abroad or the daily contact their partners have in their jobs with things Canadian. As a consequence, spouses are often much less protected than employees from culture shock and feelings of isolation and rootlessness in adjusting to a foreign environment. Appreciation of this fact is not new. Foreign service management has long recognized the disruption and inconveniences that spouses face in foreign service life. This has been tangibly expressed in the thirty-seven per cent

supplement to the basic foreign service premium provided to employees who are accompanied abroad by at least one dependant. The existing premium and in fact the overall compensation and benefits package governed by the FSDs are intended to provide sufficient incentive in their entirety to persuade employees and their families to incur the disruptions, hardships and frustrations involved in foreign service life. Experience during the most recent posting session would indicate that the incentive value of this package to employees and their families has, with some limited exceptions, largely been restored by the amendments to the FSDs of April 1, 1982, which included a substantial increase in foreign service premium entitlements.

Nonetheless, it is clear that with major changes in Canadian social values and the goals and aspirations of women, spouses are more reluctant than they were in the past to accompany employees abroad and that this has become an increasingly serious problem in the assignment process. There can be no doubt that a spouse's reluctance to go abroad has a direct, negative impact on management's ability to post and retain a growing number of employees, often those employees who have served for ten or more years, are well-trained and are likely to contribute the most to the foreign service and Canadian interests abroad in the future. The question is whether and to what extent an additional financial premium of any reasonable amount paid direct to spouses would overcome these difficulties.

The Commission cites lost spouse income as a key factor, but it is highly questionable that a separate foreign service premium for spouses established at half the amount paid to the employee or any other realistically conceivable level would be sufficient to compensate for lost income at anything but the very low end of the spouse salary scale. Moreover, if seen as compensation for lost income, an across the board premium for spouses would at any level constitute a bonus for spouses who had not worked before proceeding on posting and had no previous employment income for which to be compensated. Yet the alternative, to provide an adjustable spouse premium to compensate for actual lost income, would, apart from its inevitably high cost, greatly exacerbate distinctions between individuals at missions abroad and inevitably lead to morale problems. In short, the concept of a spouse premium as compensation for lost income, however determined, is fraught with pitfalls.

There is, however, a certain attraction to the concept of a separate premium as tangible

recognition of the important and unique contribution a great many foreign service spouses make to the pursuit of Canadian objectives overseas both in providing support to the employee and as a representative of Canada in the eyes of the foreign community. Provided it were set at more than a token level, it is obvious that a separate premium for spouses would lift morale among spouses at least in the short-term. It is far from clear, however, that its effect, if set at any level conceivably acceptable to the Government, would be sufficiently durable to overcome increasing spouse resistance to rotationality and to serve as a long-term substitute in the eyes of spouses for other actions foreign service management is under pressure to take to deal with some of the specific causes of spouse dissatisfaction. It is likely that in a fairly short time such a premium would come to be regarded as just another part of the benefits package without removing lingering concern about the difficulties of foreign service life or alleviating pressure on the Department to take ad hoc corrective action.

Payment of a separate premium to spouses would be met with mixed reaction within the foreign service community. Clearly the great majority of spouses would strongly favour a separate additional premium but they are unlikely to be unanimous in their interpretation of its meaning. Many and probably most would reject any suggestion that a spouse premium was a quasi-salary or constituted any form of explicit or implicit obligation on them to provide representational or other services. All but a very few married employees would strongly welcome a separate spouse premium if it were clearly additional to the existing premium. However, a significant number of them would oppose a separate spouse premium were the amounts involved deducted from their own premiums. A membership poll by the Foreign Service Community Association indicates that of the 122 responses received by late September 1982, seventy-six supported the concept of a spouse premium over and above the premium paid to the employee but only twenty-five supported a spouse premium involving deductions from the employee's premium. Consultations with employee groups during the Department's review of the Royal Commission Report indicate that the majority of single employees would regard a spouse premium, if additional to premiums already paid to "accompanied" employees, as unfair and likely to impinge upon the magnitude of benefits that might otherwise be available to them as employees. Many single

employees, particularly single secretaries, believe that while abroad they have the burdens not only of an employee but also, to some degree, of a spouse. Singles would probably be largely indifferent to redistribution of the existing "accompanied" premium between the employee and spouse, provided they were convinced that the spouse premium would grow at a rate no greater than would have been the case if the employee premium had not been split.

As spouses of employees are not employees of the Federal Government, it is not entirely clear whether there is an existing legal or institutional basis for making payments to them in their own right. Royal Commission staff members indicate that four legal experts whom they consulted (two from the Treasury Board Secretariat and one each from the Public Service Commission and the Department of Justice) considered that such payments would require enabling legislation. However, another Treasury Board Secretariat lawyer consulted informally during the review of the Royal Commission Report has expressed the view that the Financial Administration Act provides sufficient scope to make such payments by promulgation of an appropriate new Treasury Board Regulation. Funding would, in any event, have to be approved by Parliament through the regular appropriation process. Direct payment to spouses would not create an employer-employee or master-servant relationship, as the latter requires by definition a set of employer-determined duties, regular employer direction, and the supply by the employer of work place facilities. It is understood that a spouse premium could be paid on a quasi-contract basis, specifically and exclusively for service abroad.

Key considerations are method of calculation and anticipated cost. It is not entirely clear from the Royal Commission Report why "not less than half the amount paid to the employee" was selected as an appropriate level for a spouse premium. Obviously the Commissioner considered that a premium set at a lower level would not serve as a sufficiently credible substitute for other ad hoc actions the Department might take. It is, however, difficult to understand why the level of a spouse's premium should be based on the level of the employee

partner's premium. Calculation of spouse premium entitlements in this way would, for no obvious reason, entail greater benefit to spouses whose partners had higher salaries and would run counter to the heavy emphasis the Commission itself has placed on equity and reducing unjustified distinctions between various members of the foreign service community.

The Royal Commission estimated that a spouse premium would have an actual cost of some \$3.3 million based on the payment to spouses abroad of half the average premium paid to all employees then abroad. If projected to reflect the most recent revisions to the FSDs, the Commission's calculation would have to be adjusted to some \$3.6 million for 1982/83. Even a flat payment of say \$1,000 per year to each spouse would cost about \$1.2 million. Notwithstanding merits the payment of a separate spouse premium might or might not otherwise have, it is difficult to imagine that additional funding of this kind could be justified so soon after a major improvement in the FSDs, especially at a time when economic circumstances in Canada are placing intense pressure on employment in the private sector and on public service salaries and the Government's budgetary resources. It seems clear that a separate spouse premium, if accepted, would have to be drawn from existing Departmental budgets or from the existing benefits package. Given this and the uncertainty that a separate spouse premium would in the long-term have a significant, lasting and positive impact on morale and on the effectiveness of the foreign service, it may be preferable to use the resources that are available to foreign service management to try to deal more specifically with some of the key problems confronted by spouses and discussed elsewhere in this paper.

#### Employment and Career Prospects for Spouses

The Commission makes no recommendation specifically on the question of spouse employment, having included it among those problems that, in its view, might be alleviated by payment of a foreign service premium to spouses. However, the employment difficulties confronted by foreign service spouses - finding jobs abroad and on return to Canada, lost income, and maintaining viable careers despite the disruptions of rotationality - were clearly recognized by the Commission and figure prominently in the staff report on the "Foreign Service Environment". The staff report indicates that the absence of career opportunities arose in eighty-five per

cent of the submissions received from spouses in response to the Commission's questionnaires and that the issue of spouse employment was also raised frequently by married officers during the Commission's interview sessions. A Commission survey of posts indicated that, while about one half of the spouses abroad had been employed in Canada, only about one quarter of them were employed abroad. The staff report anticipates that, with an increasing number of couples relying on a spouse's income as an essential part of the family budget, the problem of spouse employment will "present ever greater challenges to the viability of a rotational foreign service in the future."

It is certain that employment and career opportunities for spouses can be very negatively affected by foreign service rotationality and that for numerous reasons - including host country restrictions, language, cultural and social impediments, job scarcity, inability to make arrangements for child care and participation in the representational aspects of foreign service life - many spouses must entirely forego employment outside the home while they are abroad.

Without providing any analysis of the prospects they offer, the Staff Report sets out a number of options for action (more than on any other issue) which might be grouped in several categories: overseas employment, Public Service employment in Canada, career and skill retention and career guidance. Examination of these options reveals that some very modest steps might be possible to improve the employment situation of foreign service spouses but that no thoroughly satisfactory solution is available.

#### Overseas Employment in the Mission

The most obvious avenue for improving spouse employment prospects abroad is to hire them to perform essential functions in Canadian missions. Spouses who are not already members of the Department can be and have been hired as locally engaged employees or on a term or part-time basis. In certain circumstances consideration might also be given to engaging them under contract.

On the whole, the experience the Department has already had with hiring some spouses as

locally engaged staff has been positive. Canadian identity and loyalty, knowledge of Canada, security considerations, and, in some countries, possession of other special qualifications not easily found in the local community may make spouses particularly attractive candidates for a greater number of the more than 3,000 locally engaged staff positions the Department of External Affairs now maintains at posts abroad. Spouses would seem especially suited for a variety of tasks usually assigned to locally engaged staff, including assistance with information and cultural relations activities, secretarial work, accounting, as receptionists and as consular assistants.

The hiring of spouses on a limited term or part-time basis can also have advantages both for the the persons involved themselves and for the Department. For example, when a spouse is engaged to replace a Canada-based employee on extended sick leave, to fill a significant gap between the departure of one Canada-based employee and the arrival of another or to help cope with emergencies or seasonal work-load peaks, there can be substantial savings in travel, allowances and accommodation costs if it were otherwise necessary to provide temporary replacement personnel from headquarters or another post. At several posts abroad in the last few years the Department has hired spouses on a term or part-time basis when staff shortages were such that it was not otherwise possible to meet the demand for Canada-based employees. All indications are that this practice has worked to the satisfaction of management, employees and spouses and can continue to do so. The Department might also pursue with greater vigour the employment of spouses as peak period assistants - for example in consular and immigration work - and, as does the U.S. State Department, provide training to interested spouses in these fields.

The more frequent hiring of spouses (or for that matter older children) on contract to perform certain tasks at posts would also appear to merit closer attention. Contract arrangements would seem particularly appropriate for such tasks as up-dating post reports, cataloguing post libraries, maintaining and up-dating staff quarter inventories, performing specific research tasks or some

redcoration or maintenance jobs. There would be merit in determining whether any changes need to be made to the Department's personal service contract guidelines or the Government Contract Regulations to enable posts to have greater recourse to contract arrangements with spouses or other dependants. It would be useful for the Department to draw up for the guidance of posts a listing of the kinds of work that spouses might be engaged under contract to perform.

Another possibility that might be examined is the scope for engaging spouses on long-term assignments - perhaps as long as a full posting - to fill certain Canada-based positions. For example, consideration might be given to leaving an agreed percentage or number of Canada-based rotational positions unstaffed with indeterminate employees and to allocating these positions on a pooled basis to posts that have spouses available and qualified to serve. Preliminary consideration of this alternative reveals a number of significant potential difficulties. Moreover, informal soundings of the views of staff associations reveal little enthusiasm for such an approach even though they have strongly urged the Department to improve the employment prospects for spouses abroad.

However and wherever spouses are engaged to perform longer or shorter term tasks at Canadian posts abroad, certain conditions would clearly always have to apply, including certainty that the job involved needs to be done and cannot be accomplished by already available staff, that the spouse to be hired is qualified to do it, that no significant potential conflict of interest is involved (perhaps difficult to ensure at small posts) and that competent and loyal locally engaged staff are not released simply to make room for spouses. Moreover, post management would be wise to ensure that the hiring of a spouse did not have the potential for creating major interpersonal disruptions and jealousies. It also has to be recognized that, however eager and willing the Department may be to provide spouses with positions in missions abroad, a large number of locally engaged jobs require particular expertise, knowledge of the local language, practices and customs or extensive local contacts that most spouses are unlikely to possess. Nevertheless, within the limits imposed by these essential qualifications, there is strong reason for the Department to take a much more active interest

in identifying which spouses are interested in working at posts abroad, the skills they possess and positions to which they might be assigned.

#### Overseas Employment Outside the Mission

The prospects for employment of foreign service spouses abroad outside the Canadian mission depends on the existence of suitable local openings and, usually, on whether or not Canada has concluded a reciprocal employment agreement for diplomatic depends with the host country. For some time the Department of External Affairs has been seeking to conclude reciprocal employment agreements to enable spouses to work in host countries. Agreements are now in place with thirteen countries, de facto arrangements exist with three others and promising negotiations are underway in several more. Unfortunately the potential of this approach is limited. Some countries have firmly declined to enter into reciprocal arrangements and the opportunities for gainful spouse employment at a good number of posts are minimal or non-existent because of social, cultural or language barriers, low pay or high unemployment. Even so, there is good reason for the Department to pursue with even greater vigour the negotiation of as many such arrangements as possible.

One avenue that probably bears closer examination is the scope for influence on international organizations in which Canada participates to employ spouses of Canadian foreign service personnel when such organizations are located in centres where Canadian missions are located. The results, however, are likely to be relatively meagre.

#### Public Service Employment in Canada

The scope for enlarging the employment opportunities for spouses in the Public Service in the National Capital Region between postings deserves careful examination but is limited by the inescapable fact that foreign service spouses can rarely, for employment purposes, be accorded substantially different treatment than that accorded other public service spouses or other qualified Canadian citizens. As the Government is under constant pressure from staff associations to maintain and improve the rights and benefits of existing employees, it would be most difficult and

probably in most instances impossible to tailor Public Service employment legislation, regulations or procedures to make exceptions for foreign service spouses.

Without changes in the Public Service Employment Act or an exclusion order it would not be possible to give foreign service spouses access to internal Public Service competitions. Moreover, even if such access were granted, it would clearly be difficult to do so without granting the same access to spouses of all other Government employees, some of whom are subject, albeit in Canada, to periodic transfers with disruptive effects on their careers or employment not unlike those suffered by foreign service spouses. There may nevertheless be value in exploring this question further both with the Public Service Commission and with the staff associations.

It also appears that little can be done to extend overseas competitive rights to spouses with respect to Public Service positions. The general rule is that Canada-wide is the maximum area of competition. Were spouses permitted to compete for Public Service positions in Canada while living abroad, it would almost certainly be necessary to extend the same rights to existing employees serving abroad. Even though there may, in theory, be merit in putting persons living abroad on the same competitive footing as persons residing in Canada, this could in practice entail very heavy costs for travel to Canada for competition purposes and unacceptable delays in filling positions owing to the time involved in distributing competition material to over 100 posts around the world and awaiting responses from interested candidates. In addition, such a practice could pose a serious threat to the foreign service staffing assumption that an employee normally will serve at a post for a predetermined period. Were employees free to enter competitions while abroad, there could be no assurance that they would remain at a post for a full tour. Should they be successful in such competitions, the Government would be required to pay not only their relocation costs but also the relocation costs of their replacements - who in any event could be difficult to reassign outside the normal posting season. Moreover, previous Government experience indicates that some employees (or spouses) might enter competitions because of interest more in securing fully paid trips to Canada than in the positions in question. Such abuse could be difficult to avoid. Nevertheless, spouses are eligible to compete while abroad in those few competitions - such as the annual competition for

the recruitment of foreign service officers - that are extended overseas, and they are also free to enter "open" competitions while in Canada or to return to Canada at their own expense to do so. While this may be of greater advantage to spouses located at posts from which the costs of travel to Canada are not prohibitive, it is possible under the FSDs for an employee to relinquish leave in order to compensate for a spouse's travel costs. In addition, the provisions in the newly amended FSDs for more frequent visits to Canada by foreign service employees and their families increase the chances a spouse may have to travel to Canada at no personal cost when a competition is being held.

One step that could be taken to assist interested foreign service spouses to find employment in the Public Service when they return to Canada at the end of an employee's tour of duty would be to help them secure posters and other information on "open" Public Service competitions. Employment related material already sent to posts for immigration purposes could also be made available to interested spouses to keep them abreast of data on job vacancies, news of professional and trade certification requirements and the demand for employees in various occupations both within and outside the Public Service.

For those spouses already employed in the federal Public Service, enhanced leave of absence entitlements for reasons of family responsibility are now part of Treasury Board policy. A federal Government department must grant an employee up to five years leave of absence to accompany a spouse on a temporary move including a tour of duty overseas. Although five years is the outside limit for such leaves and there appears to be little prospect at present of accommodating spouses who may be overseas for longer periods, the employing department can, if it wishes, grant leave of absence in excess of five years. Experience with this recently established Treasury Board policy is limited and there still appears to be some misunderstanding among other departments and foreign service spouses of what it involves. It would be desirable for the Department of External Affairs and the Treasury Board Secretariat to cooperate in ensuring that the nature and import of this policy are well known. The Department might also usefully intervene with other

departments to support requests for leave without pay for spouses proceeding on postings with their foreign service employee partners.

One suggestion that has been made to foreign service management during the review of the Royal Commission Report is that the Department of External Affairs itself open up positions at headquarters especially for foreign service spouses. This proposal confronts the same obstacles as other proposals for giving preference to a certain group of persons under Public Service hiring practices. There would, however, appear to be a variety of circumstances in which the special experience, knowledge and expertise gained by foreign service spouses as a result of their foreign service life would be of practical value to the Department. Spouses might, for example, be more frequently engaged by the Department on contract or under other arrangements to provide or assist with pre-posting briefings, in undertaking studies of problems confronted by members of the foreign service community and in providing information materials. Certain spouses may be especially qualified to serve in a Community Liaison Office were one established, as considered in the section on "Community Support Services" below.

#### Career, Income and Skill Retention

Four areas in which foreign service management might seek or take action to help spouses retain or re-acquire skills and preserve employment and income are unemployment insurance, leave without pay for spouses outside the foreign service, certification retention and career guidance.

One Commission staff report suggestion of particular relevance to spouses who have difficulty finding employment on return to Canada is that unemployment insurance credits they have accumulated prior to posting be "frozen" and be applicable to the period just after return to Canada. Such a provision would help tide spouses over while they seek to pick up the traces of their former careers or obtain new employment. At present, because a person must have worked in Canada for ten to fourteen of the preceding fifty-two weeks to be eligible for unemployment insurance benefits,

spouses who worked in Canada before their departure on posting and cannot find jobs when they return, have no carried-over unemployment insurance entitlement. The Canadian Employment and Immigration Commission has informally indicated that the necessary amendment to the Unemployment Insurance Act is likely to be most difficult to secure. Apparently the only exceptions now made are for those who have been sick, in training courses, on workmen's compensation or in jail. It is understood that the Minister of National Defence has already approached the CEIC on two occasions with a similar request on behalf of armed service spouses posted overseas but has been turned down. It is conceivable that a joint approach by the Minister of National Defence and the Secretary of State for External Affairs would be more successful even though it is understood that, after thorough study, CEIC has decided firmly against any such change when and if other amendments are made to the Unemployment Insurance Act.

While leave without pay provisions in the federal Public Service now seem sufficiently generous to meet the needs of most spouses employed by the Government, there is no comparable protection for spouses working in the private sector or for other public sector employees. Although the prospects for influencing other employers are undoubtedly quite slim, the Department might take an active role in seeking to persuade outside employers to provide leave without pay for reasonable periods of time to foreign service spouses. No sampling has been taken of outside employer attitudes toward this possibility, but it seems likely that any receptivity that would exist would be greater among other public sector employers (for example, provincial and municipal governments and boards of education) than in the private sector.

A problem confronted by some foreign service spouses is loss of certification in certain professions because of absences overseas. The Royal Commission staff report on "The Foreign Service Directives" suggests as an option that spouses be given financial assistance in obtaining whatever retraining may be necessary to re-acquire certification. Without ruling out this option in certain cases, a better first approach would be to help spouses avoid losing certification in the first place. One of the intended duties of the Education and Employment Counsellor recently engaged by the Department of External Affairs is to liaise with

Canadian professional organizations and to try to negotiate special arrangements on certification retention for foreign service spouses. Through such liaison it might also be possible to arrange for certain spouses to undertake programs incorporating study at the post, relevant paid or voluntary work and correspondence courses to keep their skills up-to-date and their certification intact. Consideration might, nevertheless, be given to some re-training assistance for those spouses who unavoidably lose certification as a result of foreign service postings. The Department might, for example, provide some subsidization of the tuition costs of re-training programs for spouses returning to Canada if certification retention efforts prove insufficient. It would seem appropriate, however, to limit subsidization to cases of de-certification that can be directly attributed to absences from Canada on posting and to persons who were employed in the relevant field until six months before their departure from Canada. Without more extensive study of the magnitude of the certification retention problem it is not possible to estimate confidently the cost of such a program. (The Royal Commission Staff Report estimates a cost of \$55,000 per annum, presuming that 30 per cent of an average 185 returning spouses would require training and that the cost of training for each would be an average of \$1,000. The staff report does not clarify how it arrived at the underlying assumptions of this estimate).

The Commission staff report on "Environment and the Family" contains a number of suggestions relating to career guidance and advice for spouses. These include workshops on career matters and advice on resumé preparation, job seeking skills and job opportunities, as well as career counselling and the provision of information on the employment situation in Canada and abroad and on host country laws relating to such matters as social security, work permits and taxation. With additional resources it would be possible, using the infrastructure already available in the Department's Posting Briefing Centre and/or a Community Liaison Office, to extend briefings available to spouses to include advice and counselling on employment-related matters both at home and abroad. This may be an

area in which cooperation with the Foreign Service Community Association, discussed in greater detail in the section below on "Community Support Services", would be especially appropriate.

While, as noted earlier, the Department has recently engaged an Education and Employment Counsellor, it is quite unlikely that one person would have the time to perform the education liaison counselling tasks considered elsewhere in this paper and, at the same time, significantly enlarge the assistance the Department provides to spouses on employment matters. There would, accordingly, appear to be ample reason for the Department to consider devoting at least one or two full-time positions to employment-related matters. Alternatively, the Department may wish to investigate whether there are individuals outside the Department, for example interested and knowledgeable spouses, who would be interested in providing similar services, perhaps with some Departmental subsidization and/or on a fee-for-service basis to be paid by users. However, existing contract regulations appear to restrict greatly the scope for such an arrangement.

#### Head of Post Spouses and Residence Administration

The Commissioner's specific recommendation (# 11) that the position of official residence administrator be created at each post and that head of post spouses be given right of first refusal to fill them has some theoretical merit in that it would give concrete recognition to the major effort and time the great majority of head of post spouses already devote to achievement of Canadian objectives. In practice, however, the proposal would have less merit. Discussions with interested groups, including an informal sampling of the views of some head of post spouses and talks with members of the executive of the Foreign Service Community Association, have uncovered little support for the idea. Higher priority is generally placed on the need for adequate administrative support from mission staff and for a clearer delineation of the assistance a head of post spouse has reason to expect from staff members. Moreover, to create such positions and to give first refusal to a specific group of persons would run counter to the merit principle in Public Service staffing. The employment of spouses in this way could, and in a good number of instances probably would, create inter-personal problems at posts. It is difficult, for example, to see how a spouse could be accountable to the head of post without creating a

conflict of interest situation and it is equally difficult to see how a head of post spouse could normally be placed in a supervisory or subordinate position in relation to other members of the mission staff. Finally, while the foreign service lacks adequate administrative support at many posts, the creation of positions solely for official residence administration is far from being among its priority needs.

#### Formulation of Policy on Spouse Employment

Given the apparent magnitude of the employment problems confronted by foreign service spouses, it would appear highly desirable for the Department of External Affairs, in cooperation with the Treasury Board and the Public Service Commission, to formulate as comprehensive a policy as possible on the employment of foreign service spouses and employment-related assistance to be provided to spouses both in Canada and abroad. Formulation and announcement of the terms of such a policy could serve both to underline the Government's commitment to assist spouses and reduce risks of misunderstanding about the kinds of help the Government can provide.

#### Pensions and Other Benefits for Spouses

While the Commissioner made no recommendation with respect to pensions and other financial benefits that might be considered for foreign service spouses apart from her recommendation for a separate foreign service premium, the Commission's staff report on "The Foreign Service Environment" identified - with very little apparent analysis - a number of problems and options for action.

#### Pension Schemes and Entitlements for Spouses not Employed by the Government of Canada

The staff report stressed that foreign service spouses not employed by the Government are particularly vulnerable in the face of separation or death of an employee because foreign service life severely limits employment opportunities for spouses and, thus, security through earnings that can be

channelled into investments, savings and pension schemes. The staff report suggested several approaches including:

- permitting dependent spouses, when unemployed, the option of making contributions into "an independant (sic) retirement scheme or social security system when abroad";
- the transfer of full pension benefits to widows/widowers of foreign service employees;
- requiring that all benefits under the Canada Pension Plan and the Public Service Superannuation Act be divisible upon separation or divorce.

The recently released "green paper" on pension reform, Better Pensions for Canadians, and the accompanying booklet, Focus on Women, set out for consideration a number of proposals that, if adopted, would substantially improve the pension entitlements of spouses in general, although they contain no proposals exclusively related to foreign service spouses. In issuing the green paper the Government has invited provincial governments, businesses, labour, women's groups and other interested parties to consider its proposals and will be asking Parliament to establish a committee to undertake public consultations on issues relating to pension reform and to report its findings and recommendations by the end of 1983. There will therefore be an opportunity during the coming year for foreign service spouses and the Department of External Affairs, should it choose, to set out for consideration the particular concerns of foreign service spouses.

The issues of the level of survivor benefits provided under the Public Service Superannuation Act and of splitting pension credits on marriage breakdown are receiving consideration in an overall review now underway within the Treasury Board Secretariat of survivor benefits provided under federal public service pension plans. It is not expected, however, that the review will result in major recommendations in these areas until there is some further indication of the direction national pension reform will take in these areas.

There is no legal impediment to the establishment by foreign service spouses of a private group pension scheme of their own. Moreover, one spouse can pay into a registered or non-registered pension plan on behalf of the other with certain tax and other implications. As the benefits received under any scheme are related to the contributions made to it, there would, of course, be substantial cost involved in devising an independent pension plan with sufficiently attractive benefits.

Several compulsory Public Service plans provide a measure of financial security upon the retirement, disability or death of the employee. Supplementary insurance plans are also available under the sponsorship of the various collective bargaining units but on an optional basis. One example is the group life insurance plan of the Professional Association of Foreign Service Officers, whereby an employee can be insured for up to five times his or her salary to a maximum of \$300,000. Additional term and reducing term insurance as well as provision for accidental death or dismemberment augment this coverage. Similarly, other collective bargaining and "excluded" groups have access to group plans of their own. This kind of supplementary coverage, when combined with the basic compulsory coverage, should provide a measure of financial security for spouses, although as dependants of the employee rather than in their own right.

While it would not seem desirable or practicable for the Government to become administratively, financially or legally involved in separate pension arrangements for foreign service spouses, the Department of External Affairs might do more, possibly in cooperation with the Foreign Service Community Association, to investigate, once it is clear that there is sufficient spouse interest, the feasibility and desirability of foreign service spouses establishing and themselves contributing voluntarily to their own group pension plan. As spouses (and for that matter employees) abroad are often isolated from readily available sources of information and advice on pension and financial planning questions, the Department might also play a moderately greater role in informing families of the kinds of options available to them to strengthen their long-term financial security and in providing them with financial planning information.

### Unemployment Insurance Contributions and Benefits for Spouses

The Commission Staff Report also pointed out that, while those spouses who are employed in a Canadian mission abroad may be required to make Canadian unemployment insurance contributions, they are unable, should this employment cease before the end of the posting, to collect benefits while abroad because they are deemed to be not available for work in Canada. While it would seem obvious that this incongruous situation should be addressed, it would not seem consistent with the intent of the Unemployment Insurance Act to make foreign service spouses eligible to receive unemployment insurance benefits while overseas. (The question of permitting spouses to carry over until return to Canada unemployment insurance credits accumulated before departure on posting was addressed above in the separate section of this paper on employment and career prospects for spouses).

### Reciprocal Social Security Arrangements

Spouses who are employed in the local community at a post may be required to make contributions into host country social security systems with little prospect of ever being able to benefit from them. To overcome this problem, the Commission's Staff Report suggested as an option that the Government "include clauses for reciprocal social security benefits in reciprocal work agreements with other countries." Unfortunately, the number of countries with which Canada would be able to conclude satisfactory comprehensive social security agreements is very limited because only a relatively few have social security systems sufficiently similar to Canada's to provide a basis for reciprocity and an acceptable potential benefit to Canada. To seek broad global agreements which cover virtually all citizens of both countries would be an extremely complex and time-consuming process. It may be more feasible to explore the possibility of concluding agreements with foreign countries whereby, on a reciprocal basis, dependants of foreign service employees of the sending country who, if employed locally, must pay into mandatory local social security schemes could obtain reimbursement of such contributions from host country authorities upon departure. It would be important to ensure, however, that any attempt to tie such a provision to reciprocal work agreements

did not frustrate the Department's ongoing efforts to ensure reciprocity of work arrangements for foreign service dependants abroad.

Government Superannuation Payments for Spouses

The Commission staff report also proposed the subsidization of pension plans for spouses who worked prior to posting and who are not able to work while abroad. This suggestion would appear to refer specifically to spouses who are already employed in the Public Service of Canada and who take a leave of absence without pay to follow the foreign service employee abroad. Recent collective agreements provide that an employee shall be granted leave without pay to accompany a spouse who is temporarily relocated. Upon return from leave, that employee is required to meet both the employer and employee shares of contributions to the superannuation plan that would have otherwise been made had the employee not been on leave. Such repayment begins upon return from leave and may be spread over a period of time equal to the absence or may be extended where that repayment schedule results in financial hardship to the employee. Deductions from source equalling, at the minimum, 18.9% of gross salary and ranging upwards to 22½% may be a fairly heavy burden. It must nevertheless be recognized that the long-term benefit of such contributions is several years of pensionable time in a much envied, indexed pension scheme. Government subsidization of pension credits in whole or in part for foreign service spouses in such circumstances would constitute inequitable treatment vis-à-vis other federal Government employees and other foreign service spouses who are unable to find employment while in Canada or whose employers do not provide automatic leave without pay. There would, however, be good reason for the Department of External Affairs to investigate with the Treasury Board Secretariat the feasibility of providing additional alternate methods of repayment that would alleviate temporary financial hardship. Informal discussion between External Affairs and Treasury Board officials indicates interest in considering whether there are ways of dealing with this question that would involve neither legislative amendment nor additional Government expenditure. Given the quite limited experience heretofore with the problems confronted by foreign service spouses who take leave without pay from the Public Service to accompany employees on postings abroad, it would seem appropriate, as a first step, to try to determine more accurately how

seriously the problem is viewed by those spouses who have taken or might take leave without pay from Government positions.

#### Canadian Citizenship and Foreign Born Spouses

About one hundred members of the foreign service have non-Canadian spouses. Some of these spouses choose not to seek Canadian citizenship, particularly if the laws of their countries of origin do not permit them to enjoy dual citizenship. However, a substantial number do wish to become Canadian citizens but have had difficulty doing so because of conflict between the rotational nature of foreign service life and existing Canadian citizenship legislation. The Royal Commission has recommended that action be taken to overcome this problem, although its understanding of the scope of recent jurisprudence does not appear to have been complete.

The Canadian Citizenship Act (1947) made special provision for employees of the federal and provincial public services, members of the Canadian Armed Forces and the wives of such persons to have periods of residence outside Canada treated as equivalent to periods of actual residence in Canada in order to qualify for Canadian citizenship. The Act also provided that the wives and children of such persons could be granted immigrant visas outside Canada and thereby be deemed to have been lawfully admitted to Canada for permanent residence as landed immigrants. The Citizenship Act (1976), while reducing the required residence period from five to three years and removing provisions that discriminated between the sexes, also removed the special provisions for the spouses of public servants serving abroad and required all adult applicants to meet the three-year residence requirement.

Foreign service spouses seeking Canadian citizenship have had difficulty meeting the new Act's residence requirement because the timing or duration of their husband's or wife's overseas assignments have in some cases prevented them from compiling three unbroken years of actual residence in Canada. In effect, non-Canadian foreign service spouses, because of periods outside Canada as part of the Canadian foreign service community and despite the contribution many of them make to the fulfilment of Canadian objectives abroad, have been placed at a disadvantage relative to most other

applicants for Canadian citizenship. In certain circumstances the absence of citizenship, particularly for stateless persons, can expose such spouses to significant inconvenience or risk. Anticipating these difficulties, the Department of External Affairs unsuccessfully sought incorporation of a provision in the existing Citizenship Act before its passage, that would take into account the special circumstances of foreign service spouses. Since its passage, both the Secretary of State for External Affairs and the Professional Association of Foreign Service Officers have sought amendment of the Act or application of its provisions in such a way as to achieve the same goal.

The difficulties encountered with the 1976 Act have been partially alleviated by several recent Federal Court decisions. While retaining the requirement for actual landing in Canada and for persons to establish residence in Canada before leaving the country temporarily, these decisions have enabled citizenship judges to count towards the three-year residence requirement periods during which persons, although temporarily outside Canada, have maintained a residential base or "centralized mode of living" in Canada. No clear-cut definition has been provided by the Federal Court of how maintenance of a residential base or a centralized mode of living in Canada is to be demonstrated. Latitude has been left to citizenship judges to determine in each case what circumstances might suffice. These have included such indicators of the maintenance of ties with Canada as investment in real property or bank accounts in Canada.

Although the latitude left to citizenship judges may involve an element of uncertainty, there is good reason to conclude that the Federal Court decisions have largely eliminated the problems confronted by spouses who have resided as immigrants in Canada sufficiently long to establish a residential base and have made such arrangements for continuity of contact with Canada as to conform with the thrust of current jurisprudence. The Royal Commission, in recommending action to alleviate any remaining problems, was overly optimistic, however, about the extent to which recent judicial decisions would remove lingering difficulties. Obstacles are still faced by non-Canadian spouses who have not spent enough time in Canada before accompanying an employee on posting abroad to establish residence in accordance with the Federal Court interpretation and

by those who have married a member of the foreign service while abroad and who will not be returning to Canada for several years.

Several courses of action could be considered to remove the continuing difficulties:

- (a) amendment of the Citizenship Act to allow residence abroad following marriage to meet at least in some part the residence requirement of the Act;
- (b) application of subsection 5(4) of the Citizenship Act (which permits the Governor-in-Council to direct the Minister to grant citizenship to any person "to alleviate cases of special and unusual hardship or to reward services of exceptional value to Canada") to secure citizenship in cases of urgent security and safety-related need without requiring the fulfilment of the three-year residence in Canada requirement;
- (c) action by the Department of External Affairs whereby it would
  - (i) continue, in cooperation with the Citizenship Registration Branch, to inform couples concerned of the action they could take to derive maximum advantage from evolving jurisprudence;
  - (ii) undertake, as a standard management practice from which the Department would deviate only at the request of the employee involved, that:
    - when an employee marries a non-Canadian during a posting abroad, the couple will be returned to Canada at the end of the posting for a time sufficient to satisfy the residence requirements of the Citizenship Act; and
    - when an employee marries a non-Canadian while on assignment in Canada, the employee's assignment in Canada will be extended for a time sufficient for the

spouse to meet the residence requirements of the Citizenship Act;

- (d) wider application of subsection 5(4) of the Citizenship Act to deal with instances when neither the best efforts of the Department of External Affairs nor of the couple involved have made it possible within a reasonable period of time for the spouse concerned to satisfy the Act's residence requirement.

Alternative (a) would restore at least in part the provisions of the 1947 Act and avoid the potential for discrimination that may reside in judgements based on the means a person may have to maintain real property or bank accounts in Canada. Citizenship officials are prepared to contemplate such an amendment in the longer term but, as indicated below, there are more rapidly and easily achievable alternatives, at least on an interim basis.

As the number of foreign service spouses encountering difficulty in obtaining Canadian citizenship is relatively few compared to the total population of foreign service spouses, the steps envisaged in alternative (c) to guarantee three years continuous residence in Canada to couples who require it for citizenship purposes would not significantly complicate the assignment process of the Department of External Affairs, although there may be some rare special circumstances in which such a policy could interfere with the Department's desire to assign persons of special knowledge and skills to particular positions in which they are urgently required. Consistent with the recommendation of the Royal Commission, the action envisaged in alternative (c) to keep couples concerned informed of how they may derive maximum advantage from evolving jurisprudence is already the practice of the Department of External Affairs and close cooperation exists between the Department and citizenship officials in assisting eligible foreign service spouses to secure citizenship.

Alternatives (b) and (d) have been amply covered by a decision of Cabinet taken at the recommendation of the Secretary of State since publication of the Royal Commission Report and, insofar as the foreign service is affected, to be announced as part of the Government's overall response to the Report.

Implementation of any or all of the possible courses of action identified above would not themselves eliminate the difficulties that some foreign service spouses have met in securing appointments for the necessary citizenship hearings in Canada. While the Department of External Affairs might explore with citizenship officials the possibility of sending citizenship judges abroad from time to time to conduct hearings in certain regional locations, it seems likely that the greater opportunity for visits to Canada provided to employees and their families in the April 1, 1982 amendments to the FSDs would, together with advance planning and close cooperation among the couples concerned, the Department of External Affairs and citizenship officials, avoid delays in scheduling hearings in Canada and the need for citizenship judges to travel abroad.

#### Role of Spouses in Representation

Among the options identified in the Commission's Staff Report on the "Foreign Service Directives" (but not put forward as a specific recommendation by the Commissioner) is the possibility of making "payments to the representational spouse" in recognition of the "extensive and unusual assistance" they provide. This option is not the same as the proposal to pay a separate foreign service premium to spouses which the Royal Commission envisaged for all spouses.

It is obvious that many spouses devote a great deal of time and effort to assisting with the fulfilment of their partner's representational responsibilities and, thereby, to the pursuit of Canadian interests. But it cannot be automatically concluded that they should be paid for this valuable contribution. Representation is one of the most misunderstood aspects of diplomatic life. By and large the media and the general public perceive it as pleasure or even luxury and generally have little sympathy for those who see it - however much it supports Canada's aims abroad - as demanding, sometimes boring, often exhausting and a constraint on one's private life. Even within the Department there is a body of similar opinion among non-rotational personnel and some rotational support staff who see representation and the allowances that go with it as a means of making friends in the local community which they are unfairly denied because of the nature of their duties. It is not surprising that such persons may envy those who have an enhanced opportunity (or indeed necessity) of meeting other people socially. For this reason and because they may think - occasionally with justification - that some employees with representational

responsibilities use their hospitality allowances more to their own benefit than to that of the Government, there can be no doubt that payment to some spouses for the contribution they make to a mission's representational activities would generally be viewed negatively by those who do not have such responsibilities and by many outside observers.

For presentational reasons - if no other - it would therefore be particularly difficult to justify payments to spouses for receiving, as opposed to extending, hospitality. Moreover, participation by spouses in their partner's representational activities is now optional. The days when a spouse's representational activities were a specifically assessable factor in an employee's performance appraisal are gone (although it cannot be denied that a spouse's assistance in representational activities may affect an employee's performance and hence, incidentally, an individual's advancement prospects).

Although not entirely free of presentational difficulties, a strong case can be made, however, for the Department to pay at a reasonable rate for the time and effort an employee and/or spouse devotes to preparation for the extension of official hospitality when the alternative (open to all employees with representational duties) would have been to engage a commercial caterer or other professional help. Such an approach would make it clear that all employees and couples with representational responsibilities are on the same footing to the extent permitted or required by the magnitude of their respective representational allowances and duties and that spouses are not expected to provide free labour. To be acceptable to most spouses it would be necessary to provide assurance that adoption of this approach was in no way intended to oblige them to provide representational services but only to provide reasonable reimbursement for their time and effort when they freely choose to contribute it.

Any potential for abuse of such an approach could be contained by making payments for such services from an employee's already established representational allowance at rates set by the Committee on Post Management to reflect the cost, or slightly less than the cost, of comparable catering

services at the post. As with other hospitality related expenditures, an employee's use of representational allowances in this way would be subject to review and control by the head of post. Additional Government expenditure would be required only if it were decided by Departmental headquarters that the funds needed to pay for the previously free services of spouses and employees must be found without diminishing the overall representational effort.

#### Spouses Remaining in Canada

The Commission staff report suggests that it may be necessary for the Department of External Affairs, in the interests of foreign service morale, to accommodate the anticipated increase in the number of spouses who will remain in Canada to pursue employment, education or training or for other reasons while the employee goes on posting.

Personnel assignment officers confirm that the reluctance of spouses or other family members to accompany employees on postings for a wide variety of reasons is increasingly frequent and the largest single reason for posting refusals. Accordingly, there would appear to be considerable merit, with a view to retaining valuable and highly trained staff, in providing employees not only with the option they now have of accepting posts on a family separation basis but of providing those who accept this option with a measure of financial assistance to offset the extra expenses they are likely to incur as a result. Although, undoubtedly, the majority of employees would not choose to live separate from spouses and children for the full duration of a posting, there are a growing number who face the harsh choice, unpalatable both for themselves and for the Department, between deep commitment to the foreign service on the one hand and preserving their marriages on the other. It is increasingly evident that a substantial number of these employees who are eager to continue their foreign service careers would be able to do so and preserve their marriages if steps were taken to help them meet the extra expenses they would incur in maintaining two households.

Facing pressures similar to those encountered in the Canadian foreign service, the U.S. State Department has made provision for a "separate maintenance allowance" for which employees may be eligible when they accept postings and their spouses or other dependants do not accompany them. State Department officials, who are pleased with

their experience with the new separate maintenance allowance, are quite liberal in the reasons they accept for payment of the allowance. Almost any reason is accepted, including a spouse's desire to further his or her education or to pursue a career, remain with children attending school at home or in other countries, care for aging relatives or simply because they wish to opt out of foreign service life abroad temporarily or permanently. The State Department claims that refusal to pay the allowance is normally limited to such obviously unjustifiable cases as a request from an employee stationed in Tijuana, Mexico for a separate maintenance allowance because his family is living just across the border in San Diego. U.S. authorities consider that the allowance, rather than encouraging or financing marriage breakdown, is having a positive effect in enabling couples who are prepared to live apart for periods of time to pursue their separate aspirations or obligations and maintain their marriages. They say they have not detected a major increase in the number of employees who have taken postings on a family separation basis as a result of the allowance but do believe that the allowance has enabled the State Department to retain valuable employees who might have otherwise resigned.

The provision of some form of family separation allowance to Canadian foreign service employees when the spouse voluntarily remains in Canada need not entail significant additional Government expenditure if such an allowance were set at a level within the limits of the expenditure the Government would otherwise face if spouses and dependants accompanied employees on postings. Such expenditures now include transportation of the spouse and family to and from the post, removal of spouse and family effects, the portions of the foreign service premium attributable to spouses and dependants, the expense of children's education often at costly private boarding schools, vacation travel assistance for entire families and larger accommodation.

Only very modest provisions are now included in the FSDs to offset expenditures employees confront as a result of family separation caused by postings abroad. Current practice is to waive the employee's rent share (the amount the employee pays to the Department for his accommodation) and to provide up to \$70 per month for incidental expenses when a spouse is obliged to remain in Canada. These provisions apply, however, only to very temporary

separations caused by quite limited conditions such as temporary illness or the need for a spouse to complete an academic year. Spouse employment is not accepted as a legitimate reason. Employees living abroad separate from their families are also covered under one of the provisions of the FSDs that came into effect on April 1, 1982, which provides generally for more frequent return trips between the post and Canada for spouses and/or children or the employee.

Were further consideration to be given to a form of family separation allowance for the Canadian foreign service or to other financial measures to alleviate the problems of separation (including, as also suggested in the Commission's staff report, the payment for telephone calls between an employee at a post and his spouse and dependants in Canada), the appropriate context would be the forthcoming consideration in the NJC of further amendments to the FSDs.

#### Conditions of Service for Single Employees

The concerns of single employees were mentioned only briefly and in passing in the Royal Commission Report and the Commission made no recommendations relating specifically to single employees. Defining as single employees single, separated and divorced employees as well as employees who are accompanied on postings by other dependants (for example parents or children) some thirty-eight per cent of all rotational employees are single including eighty-nine per cent of the secretaries and twenty-five per cent of the foreign service officers. Single employees, particularly secretaries, have strongly criticized what they perceive to be the Royal Commission's excessive and disproportionate preoccupation with spouses and families. Although the specific concerns of single employees do not derive directly from Departmental policies or regulations, some single employees believe that policies and regulations are applied in a discriminatory manner or that they are sometimes otherwise subjected to inequitable treatment as a consequence of their single status.

#### Concerns of Single Employees

Concerns expressed by single employees range widely over many facets of foreign service life. The intensity with which individual single employees have concerns and voice them varies

greatly. One broad area of concern for many single employees is their belief that more is expected of them than of married employees. Some single employees believe they are expected to work more overtime than married employees and that the latter are given preference for leave during Christmas and other vacation periods. On transfer, single employees frequently consider that they are expected to work long hours and still carry out alone the numerous tasks that are an inevitable consequence of moving and many of which can be performed only during office hours. They believe that foreign service norms are too often based upon the needs of the married employee who has a spouse to carry out or at least to share such chores and thus may require less or no time away from work. Many single employees sense that, because they are considered more mobile than married employees, they are thought to require less notice of reassignment and to be more available to accept the most difficult postings. Some single female officers have complained that there is insufficient appreciation of the fact that they must cope not only with their jobs but with attendant entertaining and representational responsibilities without the assistance of a spouse. Other single employees allege that the Department of External Affairs will do all it can to satisfy both members of a married employee couple in the assignment process, often to the detriment of single employees.

Another broad area of concern for single employees relates to perceptions of less favourable treatment than is accorded to married personnel by foreign service management. Single employees allege they are almost always allocated apartments whereas in Ottawa they are free to choose a house. It is a concern of single employees that provisions for the payment of living expenses in temporary accommodation on relocation to Ottawa appear to favour married employees. This is also true of house hunting trips which are normally authorized when it can be reasonably demonstrated that a house hunting trip would be cost effective. Single employees believe they should have the same amount of time (five days) for househunting or for completing relocation tasks if necessary. Single female employees have complained that their personal safety concerns may be overlooked in comparison to the attention paid to the safety of foreign service families. Single parents have expressed concern both about lack of day care provisions in the Directives and insufficient assistance in

simultaneously working, coping with housing problems and finding schools for their children on reassignment.

#### Response to Single Employee Concerns

Although it far from clear that all expressed concerns are valid, those that arise chiefly from insufficient sensitivity of individual line managers or the lack of clear Departmental guidelines. For some, corrective action should be relatively straightforward. Thus, to meet single employee concerns on such matters as the timing of posting notification, time to prepare for posting or to settle in on reassignment, the granting of leave and the assignment of overtime, the Department might simply make a clear commitment backed up by instructions to line managers that, except in defensible exceptional circumstances, the principle of equity will apply to single as to other employees. There are, however, other concerns which are somewhat more complex.

Few employees and families are suitable for all posts. For example, it has not been customary to send single male employees to East Bloc countries. An employee or another family member may have a medical condition which would be aggravated or inadequately treated at some posts but not present unmanageable problems at another post. There are posts at which educational facilities are not suited to the needs of children who are too young to be left behind. While every effort is made to avoid assigning employees to posts that would confront them or their families with unusual hardships at certain points in their careers, it is quite likely that over a full career an employee, whether married or single, will experience a balance of more and less difficult posts. Departmental assignment data demonstrate that there is no pattern of discrimination in the posting process between single and married employees.

The Department succeeds in filling the less attractive positions by operating a rotational service and giving all employees a range of assignments. While the particular concerns of employee couples cannot be ignored any more than can those of other employees and there are inevitably certain posts at which the assignment of members of an employee couple may be more easily accomplished than at others, it is essential that employee couples not

be given preference for certain postings simply because of their marital status. Over the course of a career the typical employee couple must be seen to have had a pattern of assignments not significantly different from the norm. Consequently, clearer guidelines appear to be required for the posting of employee couples to reassure all employees that postings will be achieved in an equitable fashion. Analysis of data on postings of employee couples reveals no systematic bias although there have been isolated cases in which the posting of a single employee has been cancelled in order to accommodate a member of an employee couple. While it cannot be excluded that for operational reasons such situations may occasionally arise again in the future, as a general rule a posting should not be cancelled to make room for an employee couple. The Department should continue to strive to accommodate equitably the posting concerns of all employees and it is quite conceivable that, should the numbers of employee couples grow, the Department will have no option but to ask such couples on occasion to take separate postings or give one member of the couple the option of leave without pay to avoid the unjustified displacement of other employees.

As available representational funds are limited, the extent to which an employee is able to cater his own representational functions and thus avoid catering charges has a direct influence on how far the representational dollar will go. In the case of married male employees this has, as discussed earlier in this paper, often involved a great deal of work by wives, whereas single male employees have more frequently relied on professional catering services even though the cost has been greater and the overall impact of his representational allowances might have been proportionately less. A change of attitude is clearly required if, as has been alleged, some managers take it for granted that single female employees should, more easily than their male counterparts, be able to cope with preparation for representational functions and at the same time perform their normal office hour duties.

As discussed in a separate section above, family size obviously must be a major determinant in the allocation of accommodation abroad but this need not mean that single employees should be expected, as a matter of course, to occupy accommodation unreasonably less comfortable or commodious than married employees would occupy. Although it is not reasonable to assume that a single employee who elects while in Canada to meet the extra cost of living in a house or other quite roomy accommodation must automatically be provided with comparable

housing abroad, a very good case can be made for providing single employees with sufficiently spacious quarters to permit them to accommodate visitors. As discussed earlier, this would recognize the fact that employees abroad often have longer visits from relatives and others than would be usual in Canada and would provide needed "elbow room" in climates and other local circumstances that can oblige persons to spend longer periods indoors than would be normal at home. For Crown-held housing it would also provide needed administrative flexibility in the face of rotation in the allocation of a post's stock of staff quarters among single employees and families of varying size.

The application of equity as a basic tenet of the Department's personal safety program is discussed separately above. In practice this principle must clearly mean that a necessary basic level of protection is provided to all Canada-based staff at posts where personal safety is judged to be a problem, but that additional protection may be provided in such exceptional circumstances as personally directed threats or a spate of serious violence in the immediate area of an employee's staff quarters. Thus, for example, additional protection might be provided to single female employees if the threat of sexually motivated violence is judged to be high.

It is difficult if not impossible to replicate Canadian facilities for children at most if not all foreign postings. While the Department and its line managers should be responsive to the requirements of single parents, there are some unavoidable limits to how far this can be carried in practice. There are, in fact, posts to which single parents cannot be sent until children are old enough to be left unattended. Even so, some refinements to the FSDs, if acceptable to both the Official and Staff sides in the NJC, could ease some of the difficulties encountered by single parents in the foreign service. For example, to cite an issue that was raised on behalf of single parents during the

review of the Royal Commission Report, at posts where day care centres exist provision might be made for payment of the difference between local costs and those which would apply in Canada. Similarly, it was suggested that provision now made in the Directives for the cost of telephone calls between parents abroad and children who have not accompanied them on posting might be extended to include calls between a child and a non-custody parent.

#### Foreign Language Training

One of the options identified in the Royal Commission's staff report on the "Foreign Service Environment" for helping employees and their families to adjust more readily to life abroad is to make available to them training in host country languages both before and during postings. Although foreign language training was provided only to some employees and only in exceptional circumstances to family members until 1980, progress has made since then. In 1980 guidelines were established and funds provided to enable all employees and spouses who wish to undergo host country language training to do so to a "basic" level of fluency (normally forty hours of training) within the constraints of available funding. A person at this level is able to satisfy routine travel and courtesy requirements and to understand simple written material. They are equipped to order a meal, ask for shelter or lodging, seek and give simple directions, make purchases and tell time. However experience has demonstrated that the number of tutorial hours required to reach a basic level of fluency varies from seventy to 160 across the twenty-eight languages in which training is normally available depending upon the complexity of the language. Moreover, recent examination of the foreign language training provided by other Western countries such as the USA and the UK has led to the conclusion that the level of "basic" training provided to Canadian foreign service members and their spouses was inadequate and should be increased to at least eighty hours on average.

Since April 1982 spouses of heads of post have been eligible to receive language training to the same level as the employee. Other spouses accompanying employees on lengthy immersion-type training in Russian, Mandarin, Arabic and Japanese have been eligible to follow the same program as the employee. A greater effort is being made to ensure

that all employees and spouses receive host country language training to the level required before arriving at a post.

As a result of re-evaluation by the Department of External Affairs of its foreign language training program, the Treasury Board has approved the provision of substantial additional resources for foreign language training. The funding will be used in part to double the number of hours of basic foreign language training provided to employees and their spouses proceeding on posting from an average of forty to an average of eighty hours of instruction and to ensure that all employees and their spouses who so wish will receive at least a basic level of foreign language training when posted to non-anglophone or non-francophone countries. For employees whose duties require a working or advanced knowledge of the host country language, the additional resources will enhance the Department's ability to ensure that such employees acquire the necessary linguistic skills through the requisite training both at headquarters and at posts abroad. It will also ensure that the Department is able to provide such additional foreign language training to spouses who require it for representational purposes. There will be a comprehensive evaluation of the program after three years.

With the substantial expansion of the foreign language training program, serious consideration might be given to the elimination of FSD 59 on "Foreign Language Allowance".

#### Community Support Services

While acknowledging the provisions already made by the Department of External Affairs and CIDA to prepare employees and their families for overseas postings, the Commission saw an urgent need for more specific counselling on such questions as job availability for spouses, educational systems and facilities abroad and at home, settling in problems and local customs at posts. Arguing that "bureaucrats are not likely ... to be the best source of information and advice on matters pertaining to personal and private lives" and that administrative personnel at posts are already heavily burdened, the Commission concluded that responsibility for such counselling should be assigned to the Foreign Service Community Association (FSCA). Specifically the Commission recommends that the "Association be funded to provide basic personal and family support services in Ottawa and that the Association itself take steps to ensure that it truly represents and serves the needs of the whole foreign service community at home and abroad" (Recommendation # 2). Alternatives identified in the Commission's staff reports include:

- creation of a Bureau of Community Affairs within the Department of External Affairs to function in Ottawa and at larger posts abroad and to deal with matters of family concern such as education, employment of spouses, mental health and adjustment to foreign service lifestyle;
- support to the FSCA to enable it to organize itself on a post-by-post basis; and
- at each post, designation of a senior employee to be concerned with community affairs, and creation of an advisory committee with representation from spouses, to meet regularly and discuss matters of community concern.

Formed in 1975 as successor to the Foreign Service Officers' Wives Association, the FSCA is an unincorporated, non-profit voluntary organization, with membership open to anyone interested in the foreign service. Its present membership comprises about one quarter of foreign service employees and families and is largely made up of wives of foreign service officers, although it is seeking to expand its membership to be more representative of the Canadian foreign service community as a whole. The FSCA's function is to provide assistance to its members as they are affected by their life in the Canadian foreign service through researching problems, collecting and disseminating information, and making representations to the Government and other institutions. In this work, it has been of clear value to the Department of External Affairs and to the foreign service. The Association is provided with modest office space in the Lester B. Pearson Building, including access to office supplies and to typewriter, telephone and photo-copying facilities. It has also received assistance from the Department to cover the cost of printing several very useful reports it has prepared for the guidance and information of foreign service members.

The Department of External Affairs, for its part, already provides a considerable range of support services to employees and their families. It offers counselling on personal welfare and employee careers and has recently engaged an Education Counsellor to help parents make decisions on the schooling of their children. The Department's Posting Briefing Centre organizes pre-posting and

return-to-Canada briefings on a wide range of questions. Briefings provided in recent years have included sessions on pre-posting administrative arrangements and the foreign service directives and workshops on personal safety, protocol, health, money habits, managing stress abroad, culture shock, cross-cultural communication and on certain countries and geographic regions. The Briefing Centre also arranges foreign language training and medical examinations. The Department is also carrying out a study on the feasibility of establishing a "Family Liaison Office" in Paris, similar to such offices at U.S. posts abroad. Departmental management shares, however, the Commission's view that the broadened provision of community support services in Ottawa and at posts for foreign service employees and their families would make a positive contribution to foreign service morale, efficiency, and effectiveness.

Several approaches to the provision of expanded community support services are possible:

- funding the FSCA to furnish community support services under contract as the Commission recommends;
- the provision of these services largely as a Departmental responsibility;
- developing further cooperation between the Department and the FSCA; and/or
- providing more community support services abroad with or without the involvement of the FSCA.

The first approach - funding of the FSCA to provide community support services under contract - might apply to a full range of services or be limited to counselling on such matters as career development and employment for foreign service spouses and the wide variety of problems confronted on re-entry to Ottawa. In either case, Treasury Board approval would be required and the Association would probably have to arrange legal incorporation in order to protect its officers from personal liability. While the FSCA's "overriding recommendation" in its submission to the Royal Commission had been the establishment by the Department of a "Family Liaison Office" system in Ottawa and abroad similar to the one operated by the U.S. State Department, its executive has strongly endorsed the

Royal Commission's recommendation and expressed the hope that the Government would provide it with the funds it considers necessary (about \$150,000 per annum) to fulfil the role the Commission envisaged.

A decision to contract to the FSCA responsibility for providing broader community support services would clearly enable management and the foreign service community in general to draw more fully on the knowledge, experience, enthusiasm, dedication and varied skills possessed by its members. It might also provide the Association with the recognition it requires to broaden its membership. There are, however, significant practical obstacles. It is likely that, in transferring to the FSCA with heavy subsidization, responsibility for the provision of community support services, the Government would be criticized by those employees (and their staff associations) who do not choose to belong to it or do not believe that it can adequately serve their needs. In addition, despite the valuable contribution the FSCA has made in undertaking specific studies and compiling and disseminating information of use to its members and the foreign service in general, it is not clear that it has or could acquire the organizational strength and depth to provide a wide range of services on a full-time basis. There may also be a risk that, in contracting with the Department, the Association could weaken fulfilment of its primary role as a lobbyist on behalf of foreign service community concerns or find itself at times in conflict of interest situations. Moreover, particularly in the current climate of financial restraint, it is difficult to make a case for an annual grant to a non-governmental organization of the magnitude envisaged by the Association without being able to identify off-setting savings to the Department in the resources it already employs and will continue to require to provide posting-related services to foreign service employees and their families.

The second approach - the expansion of the role of the Department as the principal supplier of community support services - while not favoured by the Commission, clearly has merit. Under this approach there could still be considerable scope for the FSCA to continue and expand its present functions in appropriate areas in cooperation with the Department, while the financial and administrative difficulties that could arise from funding the FSCA to play the primary role would be

avoided. There are strong reasons for the Department, as a responsible employer with a stake in the morale of the foreign service and with relatively easy access to professional advice in a wide range of areas, to continue to be directly involved in providing guidance and assistance to its employees and their families in matters of relevance to foreign service.

As indicated above, facilities, persons and expertise already available in the Department provide a limited number of basic community services. In addition, the Personnel Administration Division provides general information on a responsive basis to employees and families on such subjects as education at posts abroad and entitlements under the FSDs. As the Department would have to continue to provide many of these services to its employees whether or not the FSCA were contracted to provide community support services, there would seem to be real merit in making coordinated use of existing expertise, resources and personnel as the embryo for the development of a "Community Liaison Office" easily accessible to foreign service employees and families. To avoid duplication, the activities of such an Office would have to be integrated or at least closely coordinated with those of the Posting Briefing Centre. A Community Liaison Office would, in addition to combining counselling functions already provided, be the best point of contact for greater communication with spouses, provide employment-related assistance and advice to spouses and serve as a link between families and the Posting Briefing Centre. Such an office might publish, perhaps in consultation with the FSCA, a bulletin or newsletter providing information on foreign service organization, conditions and problems of general interest to all employees and families or provide regular contributions to a newsletter published elsewhere in the Department.

As discussed in several other sections of this paper, there is a particular need for expanded and enhanced pre-posting briefing activities, whether these are performed in a "Community Liaison Office", the Posting Briefing Centre or both. During the 1982 posting season, briefings or workshop and training sessions were held on eight different topics including protocol, health, area

familiarization, personal safety, native awareness, stress, culture shock and head of chancery responsibilities in nineteen different sessions. An average of thirty-two employees and fourteen spouses attended briefings on each of these topics (an average of twenty per session). As some 600 employees and 400 spouses and older dependants are posted abroad each year for a potential maximum audience of 1,000 for each topic, it is clear that the existing briefings are attracting only a small portion of the foreign service community. In large measure this may be because inadequate resources make it impossible to draw on the expertise and technical support necessary to provide employees and their families with fully professional and thorough briefings and training sessions. It has recently been determined, in a review of the activities of the Posting Briefing Centre, that some of the topics on which briefings or workshops are provided require in-depth re-designing and that their number could usefully be extended by adding other topics including, for example, spouse employment. Expansion of the number of sessions to 100 per posting season, making greater use of videotaped material and beginning the briefings in January or February, well before the start of the posting season, would result in some 3,000 briefing days being absorbed by employees and their families. Making adequate provision for staff and their families to view videotaped materials at times other than the regular briefing sessions would ensure that virtually all employees and their families had access to such materials even if they were not able to attend briefing and training sessions, possibly doubling the total audience. (At present, many spouses find it difficult to attend briefing sessions during normal working hours because of their own employment commitments or because of child-minding responsibilities at home.) Greater use of videotapes would also help to ensure that briefing and workshop material could be made available to all Canada-based personnel and their families abroad.

The Department of External Affairs has decided that the establishment of a Community Liaison Office within the Department is preferable to arranging for the FSCA to provide community support services. The Community Liaison Office will, as outlined above, serve as the principal point of contact for foreign service spouses with

Department of External Affairs headquarters and provide a range of counselling and information services - especially relating to education at posts abroad, spouse employment questions and health conditions at posts - to foreign service spouses and their families. It will work closely with the Posting Briefing Centre in the preparation of briefings and briefing materials of particular interest and use to foreign service spouses and family members. Treasury Board has approved the expenditures and person years necessary for the establishment and operation of the Office, which will begin to function in the near future.

Under the third approach - developing further cooperation between the Department and the FSCA - a number of useful steps could be considered and could be combined with the creation of a Community Liaison Office. The Department could, as the Association has requested, continue to supply it with modest office space and facilities at minimal cost and provide it with an annual grant (e.g. \$10,000) to enable it to employ a paid part-time office co-ordinator which it cannot now afford. This could improve the effectiveness and continuity of the Association's activities. Other useful steps, also desired by the Association, could be the establishment of a recognized channel for regular consultation between the FSCA and the Department, the formulation of mutually acceptable guidelines for assisting the FSCA with the printing and distribution of material it prepares as an aid to foreign service members and their families, and short-term contracts with the Association or individual members to undertake studies or to compile information which, in the view of the Department, would be of significant use to employees and their families. In recognition of the interest, knowledge and experience possessed by the Association, the Department could more actively seek out its views on issues of general interest to the foreign service community. The Department's ability to strengthen its cooperation with the FSCA would be enhanced were the Association to strengthen its efforts to broaden its membership.

As for the fourth approach - provision of community support services abroad - the feasibility study now underway in Paris, when completed, should indicate what can be achieved by family or community liaison offices at posts. If results are favourable, consideration could be given to the

establishment of such offices at least at selected larger posts which, because the Canadian official community is usually less closely knit, are the ones at which adjustment problems are often most evident. Every effort might be made to meet personnel requirements from among qualified spouses. In the absence of liaison offices at posts, the Department might provide additional employee and family support through policy directions to post administration, but the obstacle to this approach, accurately noted by the Royal Commission, is the heavy workload already carried by post administrators. As an alternative, an effort might be made, as recommended by the Royal Commission and with the help of the FSCA where possible, to organize voluntary advisory committees at each post to cooperate with post administrators in the provision of needed community support services including help with the settling-in of new arrivals.

#### Isolation and Availability of Information on Canada

The Royal Commission refers to the sense of isolation many foreign service members and their families experience abroad. It places emphasis on improved travel assistance as a way of alleviating this problem and the April 1, 1982 amendments to the FSDs go a long way in this direction. In one of the Commission's staff reports, however, improved access by foreign service employees and families to current information on Canada is seen as another way of responding to the problems of those who feel "estranged from their Canadian roots". It is suggested that this might be achieved by better circulation of information materials already available at posts and/or by broadened acquisition and distribution of additional sources of current information on Canadian life and affairs.

A good deal of up-to-date information on Canadian affairs is already provided to posts abroad. Both headquarters and posts make provision in their budgets for the supply to posts of Canadian newspapers, magazines, periodicals, journals, cassettes and films of Canadian events, summaries of Canadian news, copies of Canadian Government and non-governmental statements and reports and a miscellaneous variety of other Canadian information materials. To a degree, this material, when made available to foreign service families, can and no doubt does counter the sense of estrangement.

However, its purpose is first and foremost to enhance posts' ability to perform their program-related functions, that is to assist posts in their efforts to interpret to selected host country audiences Canadian life, policies and affairs. The utility of such information in catering to the needs of individual members of the foreign service community has been incidental.

Were adequate additional resources available, it would be possible to provide a wider variety of information materials on events in Canada, tailored more towards the personal needs of foreign service employees and their families. A wide range of options could be considered, including additional newspaper and magazine subscriptions, expansion of the daily news summaries already provided to posts to include items of interest to family members, provision of more videocassette programs of special presentations or national events, equipping staff quarters with superior short-wave radios to facilitate reception of Radio Canada International, supplementing post film libraries with films of interest to families, providing Telidon facilities to posts to enable spouses to keep in touch with the Canadian job situation and other matters, and providing more elaborate news summaries and other information by satellite.

Examination of the various possibilities indicates that most of them would be quite costly. For example, provision to each post by air of two additional magazines and three additional newspapers would cost close to \$200,000 per annum. For those who wish to keep in closer touch with events in the National Capital Region, the despatch to each post of one additional copy of The Citizen and Le Droit would cost over \$90,000 if sent by surface mail and close to \$300,000 if sent air freight. Were the provision of videocassette tapes of news events, recently undertaken on a trial basis at a few posts, expanded to provide ten programs a year to each of eighty posts, the annual cost might be as high as \$150,000. The initial capital cost of providing high quality short-wave receivers to all posts would probably exceed \$800,000, although their supply could be phased-in over several years beginning with the most isolated posts. The addition to each post film library each year of three NFB films and two

other films, chosen for their special suitability in meeting the information needs of families, would probably cost well over \$1,000 per post. A current field trial of Telidon usage at certain posts, designed both to promote the technology and assess its utility in supporting post programs, might provide some basis for judging how well it could be adapted to meet personal information needs. However, as its use involves long distance telephone charges, the cost would be high whether met entirely by the Department or by individual users. All factors considered, wider use of satellite technology does not appear to be a practical means, at least in the near future, of improving the flow of Canadian programs and information to posts on a widespread basis. Additional human resources would be required at headquarters to develop and maintain a program for enhancing substantially the scope of the considerable amount of information on Canada already provided to posts.

Although the question of enhanced information on Canada did arise in the Royal Commission's interviews with foreign service personnel and information deprivation is often keenly felt at particularly isolated posts, it can reasonably be assumed that the matter would have been given more prominent treatment in the Commission's Report were it considered a major morale issue. If, in view of this and expenditure restraint, it is considered that a major personnel-oriented information program is neither needed nor possible, a virtually cost-free alternative would be to encourage posts to adapt, alter the mix and improve the distribution of information materials on Canadian affairs already provided to them with a view to meeting more fully the needs of foreign service personnel and their families within existing resources and without compromising the pursuit of posts' program objectives. The Department might nevertheless be as responsive as available resources permit in enlarging the flow and variety of family-oriented information to those posts where the demand and need are the greatest.

### Personal Mail and Parcel Privileges

While the Commissioner herself did not make specific recommendations on the question, it is suggested in the Commission's Staff Reports that foreign service members and their families might be given more liberal access to the Government's diplomatic mail facilities (including the shipment of reading material and video tapes), a larger weight allotment than now permitted (100 kilos instead of 55 kilos) for the shipment of parcels from Canada through Canadian Government facilities and the expansion of parcel privileges to include the shipment of parcels to families and friends in Canada. The report also suggests that persons who, when in Canada, are residents of Quebec should, while abroad, have the use of a Departmentally-held Post Office box in Hull to facilitate renewal of their Quebec drivers' licences. At present personnel at sixty posts have parcel privileges and they and those at an additional seven (in all, more than 40 per cent of personnel abroad) have personal mail privileges. All personnel abroad may receive financial correspondence through Departmental facilities.

Review of the Commission's suggestions indicates that, while access to diplomatic mail facilities is a necessary and valued privilege for persons posted in countries with highly unreliable or virtually non-existent postal services, there is not a widespread demand for substantial enlargement of existing privileges and that this question is not a significant morale issue. Departmental records and experience cast doubt on the need for major enlargement of existing privileges. Expansion of personal mail privileges to include all or most posts would entail the provision of services to a large number of employees stationed in countries with quite reliable and relatively rapid postal services. Because of the attraction such a privilege would have for employees in the light of generally rising international postal rates, it could prove quite costly to implement. As for enlarged parcel privileges, Departmental records indicate that less than half of the existing global weight allotment is being used and that only about fifteen per cent of employees and families abroad are fully utilizing the allotment available to them. The cost to the Department of current parcel privileges is about \$150,000 per annum. Arrangements for the expansion of the parcel privileges

that are now extended to sixty posts to include not only the receipt of parcels but also freedom to despatch parcels to Canada at Government expense would be possible but complicated and costly, given the shipment costs, the need to apply normal customs procedures and duties and the need for equipment and personnel to sort and re-mail parcels to addressees in Canada. Moreover, excess baggage allowances associated with the recent substantial expansion in the FSDs of visits-to-Canada entitlements for personnel at many posts are likely to reduce greatly the need that might otherwise exist for enhanced parcel privileges. As indicated in the section of this paper on the availability of information on Canada to posts abroad, the cost of acquiring, sorting and shipping videotapes and additional periodicals and newspapers to posts for the use of foreign service members and their families would be substantial even if undertaken on a limited basis. In any event, it remains open to employees in countries with unreliable postal services to arrange for such materials to be included in their existing parcel allotments.

Given anticipated costs and relatively low demand, it would be difficult in the context of either current expenditure restraint or anticipated impact on foreign service morale, effectiveness and efficiency, to justify substantial general expansion of the access employees and their families already have to diplomatic mail facilities. There is, however, no reason why the Department should not rent a Post Office box in Hull to facilitate renewal of Quebec drivers' licences, provided the Government of Quebec, with which the question is being pursued, is prepared, as the Ontario Government has been, to recognize a Post Office box address as legitimate for this purpose. In addition, a liberalization of existing parcel privileges not mentioned by the Commission but relatively easy to implement would be to allow employees who now have parcel privileges to

name up to four, rather than the currently permitted two nominees who would be entitled to send parcels to them abroad through Government facilities. Such nominees might include not only family members and friends but firms and other organizations. As both of these steps would involve minimal expenditure, absorbable within existing Departmental resources, it would be useful for the Department of External Affairs to pursue them and to continue, as in the past, to be alert to situations in which general or limited improvements in the access foreign service employees and families have to Departmental mail facilities would avoid or alleviate serious hardship.

## II BENEFITS AND COMPENSATION

The Royal Commission's findings and recommendations on foreign service benefits and compensation issues fall into two main categories: those that propose specific changes in individual elements of the FSDs and those that relate more generally to their administration.\*

### Financial Aspects of the FSDs

Having come to the general conclusion that "the incentive system for service abroad must be restored and made to reflect more accurately the changing character of foreign operations as well as the changing face of the foreign service", the Royal Commission recommended twelve substantive changes in the Directives themselves (Recommendations # 24 to 35 inclusive). When the Royal Commission Report was tabled in December 1981, the review of the FSDs for a scheduled April 1, 1982 revision had been in progress since September 1980. Nevertheless the NJC Committee examined all of the Commission's recommendations for specific changes and divided them into those to be considered for inclusion in the April 1982 revisions, those requiring further subsequent consideration and those proposals which could not be dealt with in the FSD context. The revised package of FSDs that was announced and came into effect on April 1, 1982 very substantially enhanced the incentive value of the FSDs and directly addressed most of the Commission's recommendations for substantive changes.

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\* The FSDs, replacing the Foreign Service Regulations of 1962, were introduced in October 1969 and have been revised periodically, following consultation and agreement in the NJC Committee on FSDs. The NJC Committee has been composed of representatives of the major foreign service departments, the Treasury Board Secretariat and the four staff association bargaining agents who have members serving outside Canada under the FSDs. The FSDs apply to all members of the Federal Public Service, whether represented by bargaining agents or management excluded, when they serve abroad, except for personnel serving under the Military Foreign Service Regulations. By agreement in the NJC, the FSDs form part of the collective bargaining agreement between the employee and the employer when the employee is serving abroad.

The Commission's recommendation that the Post Index system be revised to replace the existing "disposable income" approach by a modified Laspeyres Index based on the concept of "spendable income" has not yet been adopted. It has been agreed in the NJC Committee, however, that the methodology for determining Post Indexes will be reviewed to decide whether or not the Royal Commission's recommendation, another approach or the existing system would be most appropriate.

The April 1982 changes include substantial increases in the Foreign Service Premium and the Post Differential Allowance. As proposed in Commission Recommendation #25, the Foreign Service Premium ceased to be related to the Post Index and will henceforth be adjusted on an annual basis in accordance with the average annual increase in salaries in the preceding year for the Federal Public Service as a whole. In response to Commission Recommendation #26, the new Directives include provision for additional Post Differential Allowance payments to employees who undertake long periods of continuous service in difficult locations. The methodology for determining the level of hardship at posts and consequently Post Differential Allowance payments remains unchanged and, contrary to Commission Recommendation #27, recreation opportunities or their absence remain an integral part of this methodology.

In response to the Commission's proposals for changes in the provisions on travel and vacation (Recommendations #28, 29 and 30), the former Vacation Travel Assistance and Canada Leave provisions of the FSDs have been combined under a new Directive for "Foreign Service Travel". The new Directive provides for the equivalent of return economy air fare to Canada for an employee and dependants from all posts on a scheduled basis depending on the difficulty of the particular post (once during an assignment of three years or longer at a non-hardship post, once during a two year assignment at a Level I or II hardship post plus one trip for each additional year beyond two years, twice during a three year assignment at a Level I or II hardship post plus one trip for each additional year beyond three years, and once each year at Level III and IV hardship posts. As well, under the new Foreign Service Leave provisions, an employee accumulates ten days of additional leave for each year of service abroad; leave credits can be taken as leave, traded for a travel entitlement equivalent to one return economy air fare between the post and

Ottawa for each ten days of accrued leave credits or converted to cash once each fiscal year. The latter provision, along with the new proviso in the FSDs that an employee continue to receive the Foreign Service Premium during the entire period of an assignment to a post abroad, more or less eliminates need for a separate vacation allowance as proposed in Commission Recommendation #29.

As indicated earlier in this paper, it was not considered that Commission Recommendation #31 for an across-the-board decrease in rent shares or the elimination of deficiency adjustments in rent shares for sub-standard accommodation was reasonable. Current rent shares were not considered to be out of line and there was no disposition to eliminate the principle that accommodation should be neither an incentive nor a disincentive to foreign service. Moreover, it was recognized that the elimination of deficiency adjustments would result in employees in sub-standard accommodation paying the same rent share as those in standard or above-standard quarters and that this would obviously be unfair to some employees. While it remains for the NJC Committee to agree on the description of the methodology to be incorporated in the new FSDs for determining deficiency adjustments, the basic provisions relating to residential accommodation abroad and the rental payment structure have remained unchanged.

As proposed in Commission Recommendation #32, a number of changes have been made in the FSDs to provide for greater flexibility in the application of the provisions relating to relocation. Employees have been given increased flexibility in choosing the mode and routing of relocation travel. Provision has also been made for the payment of specified incidental transfer expenses to a maximum of \$1,800 to provide greater flexibility to employees in arranging their relocations. Weight entitlements for the shipment of effects have been increased and restrictions on the type or kind of personal effects that can be shipped have been virtually eliminated. As the NJC Committee agreed to review certain foreign service relocation provisions after the issuance of the Treasury Board Relocation Policy for relocations in Canada, some further changes in foreign service relocation provisions are expected.

Compensation for damage or loss of employees' effects while in storage or in transit is now based on replacement rather than depreciated value, which has satisfied Commission Recommendation #33. The NJC Committee was not entirely certain of the intention of Royal Commission recommendation # 14 that "adequate life and injury insurance arrangements be put in place". It was considered, however, that implementation of the recommendation could have implications for life and injury insurance arrangements for the entire Public Service and not just its foreign service component and that, were this question to be considered at all, it was outside the realm of the FSDs. It is highly questionable whether the recommendation should be further considered. Members of the foreign service already have access at reasonable rates to insurance against injury and death. Medical and hospital insurance is provided under the Group Surgical-Medical Insurance Plan of the Public Service of Canada for employees and dependent members of their families while abroad. All employees are insured under the "death benefit" provision of the Public Service Superannuation Act (PSSA) for an amount equal to one year's salary rounded up to the nearest \$250.00 and subject to a reduction of ten percent in each year over the age of sixty. The PSSA also provides employees having five years or more of pensionable service under the Act with pensions in the event of their becoming totally disabled and allowances to their survivors in the event of their deaths. Most employees are insured under either the Disability Insurance Plan or the Long-term Disability insurance portion of the Public Service Management Insurance Plan (PSMIP), which provides them, at group rates, with income protection equal to seventy percent of their salaries during periods of long-term disability. The PSMIP offers excluded employees life insurance at group rates of up to twice their annual salary rounded to the nearest \$1,000 (up to three times salary in the case of Executives), Accidental Death and Dismemberment Insurance of up to \$100,000, and modest amounts of Life and Accidental Death and Dismemberment insurance on their dependents. Employees are also free to purchase insurance at quite moderate cost under "all risk" group policies arranged through their various staff associations. Such policies do not exclude coverage for death or injury caused by such events as war, insurrection or riot unless the insured person is an active participant. Employees who prefer to insure themselves individually are free to do so. While they would generally find individual coverage to be more expensive than participation in a group plan, they would not in general have to pay higher premiums than persons resident in Canada by virtue of service abroad or as

a consequence of the risk of war, insurrection or riot. Moreover, under the provisions of the Government Employees Compensation Act, foreign service employees while abroad are entitled to compensation for injury sustained in the course of their employment and the compensation entitlements of dependants for the death of an employee are not affected by service abroad.

While the new FSDs do not provide for posting loans entirely interest-free as proposed in Commission Recommendation #34, the level of loans available to personnel proceeding on posting has been raised to 50 per cent of annual gross salary up to a maximum of \$15,000, and loan agreements contain provision for the first four months to be interest-free. This is designed to cover situations in which employees incur expenses in anticipation of assignments abroad but encounter delays in benefiting from those expenditures (for example prepayment for an automobile that does not arrive at a post until some months after payment is made). Following the four-month interest-free period, loans are to be repaid at the rate prescribed from time to time by the Department of Finance and are not considered taxable benefits.

Recommendation #35 that "repatriation on retirement be to the employee's Canadian home base, not necessarily to Ottawa", is to be the subject of further discussion in the NJC Committee.

Consideration in the NJC Committee of those items that were left over from the pre-April 1982 consultations would provide an opportunity for consideration as well of the several possible further amendments to the FSDs that are explored in the earlier sections of this paper.

#### Non-Financial Aspects of the FSDs

In the Royal Commission's view, the FSDs "have tended to become more complicated and less understandable with the passage of time". It also

considered that the consultative process, while bringing employees added benefits, has "led to a certain mistrust of intentions" between employer and employees and to a "detailed spelling-out of provisions" which, in the long run, "works against employees' interests by reducing managerial flexibility in the interpretation of the regulations". The Commissioner concluded that this, when combined with alternating cycles of austerity and growth, had produced "the major current irritant - the perceived meanness of FSD administration".

With a view to solving these problems, the Royal Commission recommended that administration of the FSDs "be made more flexible and efficient" (Recommendation #20) and that there be a "re-definition of the general principles behind each section of the Directives", that "interpretive guidelines be prepared that clearly show the intent of the regulation" and that, if detailed directives were necessary, they be "illustrative rather than definitive and not take priority over the principles, guidelines and statements of intent" (Recommendation #21). The Commission also recommended that "authority with respect to the FSDs be delegated to the most directly involved line manager, in most cases the head of post" (Recommendation #22) and that "post-audit procedures replace prepayment control" (Recommendation #23).

The members of the NJC Committee on FSDs had been quite conscious of the increasing complexity and rigidity of the Directives noted by the Royal Commission. Early in its consideration of the changes to be made in April 1982, the Committee agreed that one of the primary goals would be to reduce the complexity of the Directives in order to simplify their administration and make them more readily understandable by employees. It was considered preferable, however, to clarify the Directives themselves as opposed to developing numerous guidelines that might only create additional confusion and problems of interpretation. Although this process will be on-going, important steps have already been taken. For example, where there were previously two Directives on loans, there is now only one and where there were three Directives on leave and travel benefits, there are now only two. Every effort is being made in drafting the new Directives to eliminate ambiguity and to ensure that they are written in understandable language. Moreover, a Foreign Service Employees' Handbook will soon be distributed to make it easier for employees to prepare for postings and to understand the FSDs.

The NJC Committee also agreed that the revised FSDs should, in general, provide employees with greater flexibility of choice wherever possible. This is evident in the new Directives on relocation, leave, travel and education of dependants.

The re-writing of the Directives to reflect the April 1, 1982 changes also has as an objective the need to improve administrative efficiency. In the reorganized Department of External Affairs, personnel service managers have been assigned to the various rotational personnel stream units to provide employees abroad with a single point of contact in the Department with which to raise all FSD-related matters (a kind of "one stop shopping").

The question of delegating greater authority to line managers, particularly heads of post, in the administration of the FSDs is among those that have been examined in detail in a general study on delegation of authority to heads of post undertaken by the Department's Management Services Division since publication of the Royal Commission Report. Departmental management has already accepted the principle of delegating greater authority to heads of post to the greatest extent feasible and, as indicated below in the section of this paper on "Managing the Foreign Service of Tomorrow", careful consideration is being given to the degree of additional authority that can be delegated in FSD administration and other matters. A number of FSDs are already administered directly at posts and their application is monitored on the basis of post-audit procedures. However, the extent to which post-audit procedures could be further expanded to replace pre-payment control at headquarters in the administration of the FSDs, as recommended by the Commission, is being considered in conjunction with the question of delegation.

### III - THE MANAGEMENT OF HUMAN RESOURCES

Personnel management in the foreign service has developed distinctive characteristics to take into account its career rotational character, the dispersal of over half its personnel around the world and the extraordinary variety of physical, cultural, political and economic environments in which it operates. This system of personnel management has much in common with the rest of the Public Service but, as the Royal Commission has pointed out, there are important differences. Difficulties arise when these differences cannot be accommodated within existing personnel management legislation and regulations as interpreted by the central agencies. Often the problem is essentially procedural, there being no dispute over the primary objective of the legislation or the central agency policy, but rather over means chosen to achieve it when they are incompatible with foreign service procedures or circumstances. Equally often, far less stress would have occurred had the Department of External Affairs been consulted in advance of the publication of a policy and had an opportunity thereby been provided to forestall subsequent difficulties.

#### Principles for Personnel Management

These factors lie behind Royal Commission Recommendation #36 that "central management develop a set of principles for personnel management in the foreign service in which the unique conditions and particular characteristics of foreign service are recognized." The Government agrees with this recommendation and the Department of External Affairs has begun to develop a set of principles for consideration with the central agencies. Such principles need not be numerous or detailed but would constitute a framework within which individual central personnel policy decisions can be judged. They might refer to the existence of the foreign service as a distinct institution within the Public Service of Canada; acknowledge its basic institutional characteristics such as its career rotational nature; accept that certain personnel concepts and practices such as appointment-to-level are convenient and necessary for the management of the foreign service; acknowledge the possibility of incompatibility in certain respects between the foreign service and general Public Service personnel systems; provide that the central agencies and the foreign service will make their best efforts to reduce or eliminate such incompatibilities in the spirit of the pertinent legislation while ensuring the efficient and effective operation of the foreign

service; and, to ensure that legitimate foreign service concerns are anticipated and accommodated, provide for automatic prior consultation by the central agencies with the Department of External Affairs during the development of new policies and procedures that could affect the foreign service and its members.

#### Responsibility for Personnel Management

The adoption of principles of the kind described in the preceding paragraph would also begin to flesh out the meaning of the responsibility that is to be assigned to the Secretary of State for External Affairs for the administration of the foreign service in the new Department of External Affairs Act. Although the relationship between this provision and those embodied in general Public Service personnel legislation is not yet clear, the new Act should go a long way toward satisfying Royal Commission Recommendation #37 that the Department of External Affairs be given "clear responsibility for managing the foreign service personnel system".

#### Importance of Personnel Management

Maintaining that the Department of External Affairs has in the past placed too low a priority on personnel questions, the Royal Commission stressed in Recommendation #38 that "External Affairs senior management make and maintain an absolute commitment to the overriding importance of personnel management." The critical importance now being attached to personnel management in the foreign service has been made very clear to foreign service personnel since Departmental reorganization in January 1982. Moreover, since reorganization, the personnel function in the Department has been headed by an Assistant Deputy Minister.

If taken literally, the wording of the Royal Commission's recommendation ("absolute commitment to the overriding importance of personnel management") appears to be more emphatic than is desirable. It would, for example, be difficult to maintain that considerations of personnel management must always "override" sound financial management

and the many legal obligations that govern the operation of the foreign service. Nor could personnel considerations be an "overriding" factor in decisions about substantive policy and programs relating to the pursuit of Canadian foreign policy objectives. Clearly, however, the interpretation of the legal and financial obligations of the Department of External Affairs must be made with personnel management considerations to the fore. The same is true in matters of substantive mandate; it is obvious that whether the Department's substantive functions are performed well or badly depends heavily on the quality of its personnel and its management of human resources. It would not seem appropriate, therefore, to attach pre-determined "overriding" priority labels to substantive policy and program management, personnel management or any other broad area of Departmental endeavour. Each contributes to the other and none can operate in isolation.

#### Mobility Between Foreign and Domestic Services

To help foster closer contact between the foreign and domestic portions of the Public Service, the Royal Commission proposed in Recommendation #39 that the "Treasury Board and the Public Service Commission act to support and encourage mobility between the foreign and domestic services." Both agencies have, in fact, shown very substantial interest in and support for fulfilment of the Government's desire for a substantially enlarged officer secondment program between the foreign service and the domestic public service. A Senior Advisor and Coordinator for Secondments has been appointed to the Personnel Management Branch of the Department of External Affairs and work is well underway in consultation with other departments and central agencies on the policies and procedures for a much more broadly based secondments program.

While the advantages for officers of mobility or exchange between the domestic Public Service and the foreign service are well understood, comparatively little attention has been devoted to examining this concept for support staff. There are several reasons for caution in this area. First, certain occupations in the foreign service, for example communicator or security guard, are only sparsely represented in the rest of the Public Service at least in comparable jobs. Second, clerical jobs in the foreign service are tailored

closely to foreign service requirements. Foreign service clerks would probably not, by and large, be well qualified for domestic positions in other departments and most clerks from other departments would not have the kind and breadth of knowledge and experience required to work anywhere except in an entry position in the foreign service, especially not abroad. Connected with this factor, and third, is the virtually total absence of demonstrated interest on the part of domestic support staff for assignments abroad, except to highly sought after locations. Fourth, from a human resource development viewpoint there is relatively little applicable knowledge and experience that the foreign service could gain from such exchanges, as the participants would not be in decision-making positions and the administrative systems in which they would be involved would probably not be susceptible to their influence. Fifth, no technical mechanism for support staff exchanges now exists and it is not clear how it could be created as the Public Service Commission's rules for eligibility for promotion mean that almost all staffing of administrative support positions is done within departments. It would therefore seem preferable - while remaining open-minded - to await developments in the general field of officer secondments, in which the Department of External Affairs is likely to be heavily engaged over the next few years, before undertaking initiatives for enlarged secondment of support staff.

#### Career Patterns

Connected with the question of mobility is the large and more diffuse question of whether the foreign service should continue to be a life-time career or involve departures from and return to the rotational service. While concluding that the "career rotational system should be maintained as the best approach to foreign service", the Royal Commission suggested in Recommendation #40 that "External Affairs, the unions and the employees re-examine the traditional career pattern and cooperatively devise innovative and more flexible approaches to meet changing social and work-related pressures." Some adjustments are, in fact, being made to the traditional career pattern for foreign service officers although on a piecemeal basis

rather than in a comprehensive fashion. As noted above, a greatly enlarged secondment program at headquarters will enable officers to broaden their knowledge and experience in other environments so that they and the Department of External Affairs might better reflect, promote and protect the full range of Canadian interests abroad. If the various approaches to dealing with the employment of foreign service spouses explored separately in this paper are vigorously pursued, one of the more serious difficulties confronted in a foreign service career will be at least partially alleviated. Much more radical suggestions for restructuring career patterns - such as long-term absences of up to ten years from the foreign service - seem impractical except in certain exceptional circumstances. On the whole, it would seem best to concentrate in the immediate future on curing or relieving the stresses and ailments of the foreign service rather than to draw up radical new designs, a process which could in itself have demoralizing effects particularly as the Department of External Affairs and the foreign service have just undergone the most extensive reorganization in their history.

#### Career Development and Training

The Royal Commission urges in Recommendation #41 that "the legitimate career needs and aspirations of both officers and administrative support staff be given much greater recognition and attention". It is undoubtedly true that more attention is given to the aspirations and needs of members of the foreign service in the assignment process than for any other comparable group of employees in the Public Service. An inevitable aspect of humane personnel management in a rotational foreign service is the need to take into account health, educational, marital, family and other considerations that do not normally play a prominent role in assignments within the domestic Public Service. This of course does not mean that the aspirations of individual employees are easy to meet in the complex world of a rotational foreign service. There can be and often is vigorous debate generally and between individual employees and personnel management over what constitutes a "legitimate" career aspiration. Ultimately,

however, the aims and needs of the Government and the Department as a whole must take precedence over the preferences of individuals.

Despite the attention given to the circumstance of individual employees and families in the assignment process, it is clear, as the Royal Commission staff report on "The Management of Human Resources" and the April 1981 submission of the Department of External Affairs to the Royal Commission point out, that much more emphasis must be placed than in the past on formal training and development, although a fair amount of training is already being done.\* At the top of the list of the Department's training needs are training in managerial and administrative skills essential for the Department to function in the increasingly complex environment of today's Public Service and for the efficient functioning of posts abroad. As the analysis in earlier sections of this paper has shown, administrative shortcomings and the absence of management skills are frequently prime causes of difficulty and dissatisfaction in the foreign service. The requirements for training in

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\* The approved training budget for the Department of External Affairs for 1983/84 is \$1,768,000 exclusive of the cost of foreign language training. This represents an increase of 25% over the sum allocated for training in 1982/83. Approximately \$220,000 will be spent on the training of rotational and non-rotational support staff with a further \$110,000 being allocated for the training of administrative officers. The bulk of the remainder will be allocated for the training of officers in the various streams within the Department of External Affairs (Development Assistance Stream \$79,000, Social Affairs Stream \$165,000, Political/Economic Stream \$300,000, Commercial/Economic Stream \$225,000). Over \$600,000 is being held within the Department's Training and Development Division in order to provide on-going training in a variety of subject areas including study skills, career planning, resumé writing and internal management programs, as well as evening and correspondence courses and educational leave. Approximately \$280,000 has been set aside from this sum to provide cross Canada training tours for the balance of the foreign service officers recruited in 1982. Such tours are designed to give newly recruited foreign service officers a more thorough knowledge of Canada and its cultural, economic and social diversity.

administrative and management skills apply not only to employees destined for senior executive or head of post positions but also to those likely to become office managers or to have any significant decision-making or supervisory role. Training in the handling of people must rank with training in such matters as financial planning and organization. Although the most important means of acquiring the requisite skills is "on-the-job", it is essential for the Department of External Affairs to make as full use as do other important Government departments of the opportunities for more formal training and to provide training that is tailored where possible to foreign service needs.

As outlined in an earlier separate section of this paper, foreign language training also must rank high in the Department's future training programmes. Two additional areas that require much more structured, planned and formal treatment if the Department of External Affairs is to derive greatest return from its investment in human capital are subject matter knowledge and training in the range of skills (including negotiation, reporting, public speaking, listening and chairing and participating in meetings) that must be employed in an effective foreign service. Subject matter knowledge should include not only better knowledge of consular, protocol and visa matters and Canadian trade policy and prospects and a deeper understanding of the social, economic and cultural history and attributes of specific countries and geographic areas but also, among foreign service officers in particular, a more than passing understanding of international law and economics. While the overall need for much more training is clear, a full-scale assessment of specific needs and how these might best be met is soon to be launched within the Department of External Affairs. However, any significant enlargement of foreign service training programs will require additional resources to enable the Department to remove employees from their day to day work for periods of time without damaging the Department's capacity to fulfil its substantive responsibilities both at home and abroad.

In establishing more rigorous and structured training programs and devoting greater attention to career planning, care must nevertheless be taken to avoid unrealistic expectations. To some

extent, individual employees must continue to be expected to plan and develop their own careers, and a delicate balance must be struck between employee initiative, which the Royal Commission calls for in Recommendation #42, and deeper management involvement in steering careers. It is not at all times possible to reconcile the impression of some employees that they have a right or entitlement to a particular career path or a certain kind of training with the broader needs of the Department and the foreign service as a whole. It must also be recognized that, while a certain degree of training and career planning is required for nearly all employees, the bulk of the career development activities of the Department must focus on the minority of employees who have more than average potential. There is, however, the unavoidable risk that methodical pursuit of such an approach will be regarded by some as a violation of the principle of equity and of the egalitarian spirit to which the Royal Commission has attached fundamental importance.

In addition to its advocacy of greater employee initiative, to which there can hardly be objection, Royal Commission Recommendation #42 urges greater competition "in a number of career aspects". The Commission offers three specific illustrations: written examinations for promotion; promotion interviews and allocation of training assignments by competition. Written examinations have, in fact, been used for some time in the promotion process in parts of the foreign service where the body of relevant knowledge could be defined with reasonable precision. Numbers, cost and the fact that half of the foreign service is scattered around the world make broad recourse to interview boards impracticable for promotions within the rotational foreign service. However, interview boards are used extensively at the entry level or when the promotion involves a move from one occupational category to another, as for example in the internal recruitment of administrative trainees from the clerical, secretarial or other occupational groups. As for the competitive allocation of training assignments, it is firm Treasury Board policy, shared by foreign service management, that the assignment of training is primarily a managerial decision and that it would not be practicable to open it to the competitive process. There is, in any event, already very keen competition for both assignments and promotions as evidenced by the appeals lodged by employees who have been unsuccessful in promotion competitions and by grievances against assignment decisions.

Competition for promotion in the foreign service is generally far more intense than in the domestic service, there being up to ten times as many qualified candidates as there are vacancies in internal foreign service competitions.

#### Specialist Versus Generalist Skills

Maintaining that "individuals require a firm initial grounding and knowledge in a particular area before going on to being 'all things to all men'" and that "many foreign service members will have greater job satisfaction and be more effective if they stay within their specialty", the Royal Commission sees the need, in Recommendation #43, for "far greater emphasis" to be placed on the development of specialist skills in the foreign service. As demonstrated in the "stream" approach that has been taken as a consequence of reorganization and as indicated in the preceding paragraphs on training, the need for members of the foreign service to have more specialized skills and knowledge than many of them may now possess is quite clear. It must not be forgotten, however, that most Canadian posts abroad, while small, are expected to represent the full range of Canadian interests in their areas of accreditation, and that the requirement for employees with generalist skills will continue to be very strong. The anticipated substantial growth in secondments will, however, bring specialist expertise into the service and give foreign service officers greater opportunity to acquire specialized knowledge and experience during tours of duty in other departments or in the private sector, thereby building on the political/economic, commercial/economic, immigration or international development specialization that individual officers will possess as a result of their stream association.

A substantial part of the debate over the desirability and feasibility of greater specialization has focussed on what is now the political/economic stream of the foreign service. This stream, which made up the "old" Department of External Affairs before consolidation, is by far the largest stream with the greatest variety of work

within it. Some room for secondary specialization within that and other streams should be possible, but considerable thought will be required to define more clearly how specialization can best be applied to the foreign service and to determine the appropriate balance between the possession of generalist skills and of specialized knowledge or techniques in the various foreign service employee categories.

IV - MANAGING THE FOREIGN SERVICE OF TOMORROW

As background to its recommendations for change in the future management of the foreign service, the Royal Commission pointed to "a period of uncertainty and upheaval" within the service in recent years and questioning both inside and outside the service about the use and relevance of its functions and the quality of its management. The Commission's staff report on "The Management of the Foreign Service" cites a number of factors that, it maintains, have had a profound effect on the efficiency and effectiveness of the service and on the morale of its members. These include failure until that time to complete the process of unification within one Department of authority for personnel management in the foreign service; the obstacles to rational and cost effective utilization of resources stemming from the division of foreign service program personnel, management and policy formulation among several departments; failure by the Department of External Affairs to fulfil adequately its responsibility for a variety of mandates, including the formulation of advice on foreign policy, the coordination of foreign relations and operations and the delivery of programs abroad on behalf of several other departments; difficulty in adapting adequately to rapid changes in managerial systems, regulations and procedures in the Public Service as a whole in the past decade; preoccupation with policy formulation in Ottawa and insufficient attention to the management of posts abroad; insufficient delegation of authority; failure of central agencies to recognize adequately the special circumstances and needs of the foreign service; insufficient attention to personnel management and an erosion in morale and "pride of service".

The Commission's general conclusions about the steps necessary to overcome the management problems of the foreign service were that the process of consolidation must be made to work rather than "exacerbate existing difficulties"; that there was a need for "systems now in place ... to be evaluated and improved in order to establish foreign policy objectives and priorities, co-ordinate and integrate Canadian international policies and activities and give direction and guidance to posts abroad"; that the "imbalance that now exists between Ottawa and posts abroad needs to be corrected", that

it was "essential to let managers manage and make them manage" and that the "relationship between government and the foreign service needs reorientation and strengthening". These broad conclusions were translated into nine specific recommendations (Recommendations #44 to 52 inclusive) individually discussed below.

#### Government Attitudes Toward the Foreign Service

In Recommendation #44 the Royal Commission suggested that "concrete steps be taken to correct the widely held view that those in positions of power consider the activities and the product of the foreign service as largely irrelevant to federal government or Canadian objectives."

As the Commissioner's own Report and the staff report both point out, there has clearly been growing concern in Government circles and to some extent in the private sector about the relevance of the activities of the foreign service, but measures taken within the past year make it clear that "those in positions of power" have largely addressed this recommendation. Key measures have included:

- transfer to the Department of External Affairs of the trade relations and trade policy functions and personnel that had formerly belonged to the Department of Industry, Trade and Commerce thereby enhancing the ability of the Department and the foreign service to support Canadian export growth and the attention devoted to economic factors in the formulation of Canadian foreign policy and the conduct of Canada's international relations;
- establishment for External Affairs of a triministerial portfolio to bolster the attention devoted to international relations questions in the formulation of Government policy and Cabinet-level decision-making;
- approval by Treasury Board Ministers of a new organizational structure for the Department of External Affairs designed to

strengthen its ability to pursue Government objectives and to manage itself both at headquarters and at posts abroad;

- the drafting and tabling in the House of Commons of a new Department of External Affairs Act, as recommended by the Royal Commission, to give a legal basis to the Department's new responsibilities and configuration;
- approval of the substantially improved benefits and compensation structure for foreign service personnel abroad contained in the April 1, 1982 revisions of the FSDs; and
- inclusion in the Department of External Affairs of CIDA program personnel responsible for the management of Canada's development assistance programs abroad.

The establishment of the Royal Commission was in itself a manifestation of the Government's interest in and concern for the foreign service and its operations and their relevance to Canadian objectives.

#### Foreign Service Consolidation

The Royal Commission's Recommendation #45 that "the process of consolidation be carried to full fruition, including the incorporation of the entire Trade Commissioner Service", that "the implementation be led by the centre" and that "an objective system for evaluating the progress being made" be established has clearly been implemented with the Government's announcement on January 12, 1982 of the reorganization of the Department and the steps that have since been taken to give effect to that announcement. While certain refinements remain to be made, the process of consolidation has, for all intents and purposes, now been completed and the impetus has indeed come from the centre. In line with the Royal Commission's recommendation, the effectiveness of the reorganized Department and of policies and programs being developed to meet the requirements of a consolidated foreign service will have to be carefully assessed and evaluated in 1984.

Royal Commission Recommendation #46 proposes that "the existing interdepartmental

consolidation agreements be revised and that the Personnel Management Committee be used in the role originally intended, that is, as the forum for the settlement of disputes and the discussion of personnel management issues impinging on the delivery of programs". The expressed aim of the recommendation is to eliminate any suggestion of "co-management arrangements" in the foreign service personnel management system and to underline the foreign service manager's freedom and responsibility to use assigned resources in the best way he sees fit to meet the objectives assigned him by departments and the Government. The consolidation agreement between the Department of External Affairs and the Canadian Employment and Immigration Commission contains, in fact, no suggestion whatsoever of the "co-management" referred to by the Royal Commission. The agreement between the Department and the Canadian International Development Agency has not yet been tested in practice as the "aid stream" to which it refers has not yet come into formal existence. The agreement contains no general provisions, however, that would support the view that it is based on the concept of co-management, although it is naturally predicated on the expectation that a high degree of cooperation will prevail between the Department of External Affairs and CIDA in the management of the development assistance stream.

A manager's freedom to deploy resources as he sees fit depends in part upon the resources falling under a single allocating authority. In practice the operations of the Department of External Affairs are funded by three separate policy committees of Cabinet and their corresponding envelopes (Foreign and Defence Policy, Economic Development, Social Development). The resources authorized by those committees for their programs in the foreign operations field cannot be reallocated by foreign service line or personnel managers without violating the integrity of the Government's overall budgetary system. Nonetheless, the Department of External Affairs is not approaching this issue rigidly and has drafted guidelines for the use of heads of post in redeploying their personnel within their missions to meet changing priorities on a short-term basis. This project forms part of the larger plan, discussed below, to delegate greater authority to heads of post as recommended by the Royal Commission.

The Personnel Management Committee served a useful purpose at the beginning of the consolidation process in 1980 by bringing together in a formal way the principal participants in the implementation of consolidation. It was apparent, however, that the Committee usually acted to ratify agreements or arrangements worked out bilaterally between the Department of External Affairs and the other principal players. The reason for this was simply that such agreements required much negotiation and involved separate sets of interest in which other departments had relatively little stake. This conclusion has also been drawn for the resource allocation process which this year will be conducted, in distinction to the practice of earlier years, on a bilateral basis between the Department of External Affairs and the other departments with interests abroad. There may in future be broad issues of policy that would make the convocation of the Personnel Management Committee a useful step. The fact, however, is that consolidation and subsequently reorganization have brought within the Department of External Affairs most, if not all, of the personnel interests that previously were represented by individual departments.

#### Amendment of the External Affairs Act

As noted above, action has also already been taken to implement Royal Commission Recommendation #47 that the External Affairs Act be amended "to designate a single responsibility centre for the management of the consolidated foreign service; to delineate the responsibilities of that service; to establish the authority and responsibility of the head of post; and to recognize the need for occasional exceptions to domestically oriented policies and programs."

The major existing piece of legislation relating to the Department of External Affairs (the Department of External Affairs Act), dates from 1909 and, as has been widely recognized for some time, clearly requires up-dating to reflect the role of the Department and of the foreign service in the late twentieth century.

A new proposed Department of External Affairs Act - tabled in the House of Commons on June 30, 1982, as part of Bill C-123 (the Government Organization Act, 1982) responds to most of the

specifications of the Royal Commission recommendation. Inter alia, it stipulates that the Secretary of State for External Affairs is responsible for the administration of the "foreign service of Canada"; delineates the responsibilities of the Secretary of State for External Affairs and thereby of the Department of External Affairs, including the foreign service; and specifically states that "Except as otherwise instructed by the Governor in Council, a head of mission shall have the management and direction of his mission and its activities and the supervision of the official activities of the various departments and agencies of the Canadian Government in the country, or portion of the country or at the international organization to which he is appointed."

The Act does not, as the Royal Commission recommended, specifically provide for exceptions to domestically oriented policies and programs in the management of the foreign service. While any significant exceptions, when and where required, will thus have to be assured on the basis of the merits of each case and largely without reference to the new Act, it is hoped that, over time, the assignment of responsibility to the Secretary of State for External Affairs for the administration of the foreign service will provide a clearer basis for seeking departures, when they are warranted, from domestically oriented policies and procedures for the better management of the foreign service.

Like the Commissioner, the Government has decided that there is no need, in the foreseeable future at least, for a separate Foreign Service Act of the kind found in the United States and that this could, as the Commissioner has observed, set the foreign service further apart from the domestic service at a time when more rather than less contact between the two is required. Nor has the Government thought it appropriate to establish a modified form of Foreign Service Act of the kind proposed by the Professional Association of Foreign Service Officers. It has been recognized, however, that the adequacy of the proposed new Act must be kept under long-term review.

#### Separation Between Policy and Operations

Arguing that the Under-Secretary of State for External Affairs was over-burdened by the combined weight of the policy, program delivery,

coordination and administration functions of the Department (that he "wears too many hats"), the Royal Commission in Recommendation #48 proposes "a clear separation of policy and operations at the most senior level in External Affairs and that equal importance be assigned to each." In the Royal Commission's view, the "current mixture of responsibilities", in which policy advisers "are caught up in crisis management and day to day operational demands", leads to "diluted and weakened policy and management capabilities." The Royal Commission considered that program delivery and personnel management activities did not receive the attention they deserved compared to the importance attached to the Department's policy formulation and coordination roles and that the operations of posts and the contribution they could make to policy formulation were not accorded the consideration they deserved.

The Commission's staff report on "The Management of the Foreign Service" explored several options and the Commissioner herself concluded that the most appropriate approach would be to create a separate Under-Secretary (Operations) holding equal rank with the Under-Secretary and the President of CIDA and providing operational support to both of them as well as to a number of domestic departments. While the January 1982 reorganization has not taken the specific direction preferred by the Commissioner and a clear-cut separation between policy and operations recommended by the Commission can not be made in all aspects of the Department's work, the new structure is designed to overcome in large part the problems identified in the Commission Report through:

- the establishment of separate Deputy Minister positions for the foreign policy and trade/economic sectors of the Department and;
- the creation of three Assistant Deputy Ministerial positions in the "core" of the reorganized Department, reporting direct to the Under-Secretary and with responsibility for personnel; programs and management; and planning and resource allocation.

The aim of the new structure is to provide clear and effective delineation of authority for the

various elements of the Department's mandate and to place greater emphasis, as an essential underpinning to the Department's policy formulation and program delivery tasks, on the establishment and functioning of simple and effective management systems and procedures comprehensible to Departmental managers and foreign service employees both in Ottawa and abroad.

#### Delegation of Authority to Heads of Post

The Department of External Affairs is already responding substantively to Royal Commission Recommendation #49 that "maximum authority in every area of activity be decentralized to heads of post". The principle of delegation of authority to heads of post, while not necessarily applicable "in every area of activity", has clearly been accepted by the Department as a reflection of managerial logic. A full study of this question, including an extensive survey of the views of current and former heads of post, was done by the Department in 1982. The study consolidated within one document the existing authorities now delegated to heads of post and set out and analyzed the advantages and disadvantages of greater delegation of authority to heads of post in those areas of foreign service activity identified in the survey. These included staff redeployment; reclassification of locally engaged employees; approval of housing leases; materiel acquisition; budgetary transfer; authority to travel outside areas of accreditation; the degree of influence a head of post should have on the choice of personnel assigned to a post, administration of the FSDs; responsibility for management of aid programs; and the relationship of the head of post to the activities of other Canadian Government departments. The decisions reached on the basis of the findings and recommendations of the study will be communicated very shortly to heads of post and other appropriate Departmental and foreign service personnel.

Consideration is also being given to increasing the frequency of head of post consultation trips to Ottawa, to which the Royal Commission attached priority. The more frequent visits to Canada for most foreign service personnel, possible under the new FSDs, will themselves provide more frequent opportunity than in the past for consultations with heads of post in Ottawa.

### Advice to Heads of Post

Specific action in response to Royal Commission Recommendation #50 that "the head of post be able to call upon the Inspection Service for objective independent advice" will not be possible immediately. As a result of the reorganization of the Department of External Affairs the name, operations and reporting relationship of the former Inspection Service has been changed. The mandate and terms of reference of its successor, the Management Review Branch, are being developed and consideration is being given to the possibility of having the new Branch provide advice on certain questions to heads of post at their request.

### Budgetary and Accounting Systems

Maintaining that the existing budgetary and accounting practices of the Department of External Affairs "seemed designed more to conceal than to reveal the real cost of running the foreign service" and that "this obscurity.... also inhibits the Department's ability to protect in times of austerity what I believe should be recognized as essential and inviolate people-oriented costs", the Commissioner in Recommendation #51 proposed that "Foreign Service management must obtain independent advice from the Comptroller General and the Auditor General on their budgetary and accounting systems with a view to identifying clearly the overhead costs of doing business abroad." The Commissioner is convinced that "only in this way can they [foreign service management] present clear, defensible statements of cost implications during Cabinet or Treasury Board discussion of new programs and make sensible proposals for reduced activity in times of restraint." While the Royal Commission's negative characterization of the Department's budgeting and accounting practices are clearly overdrawn, action is being taken to improve the financial information system of the Department of External Affairs through the development of a new program activity structure or operational plan framework designed to identify accurately, with their costs, activities undertaken by the Department of External Affairs as well as a new management information system in financial, personnel and other areas to provide more accurate information on the Department's activities and their cost implications. The Department will have the assistance of

the Comptroller General and other appropriate agencies in carrying out these projects.

#### Retrenchment of Overseas Activities

Arguing that the resources of the foreign service are "spread too widely and often too thinly around the world", the Royal Commission proposed in Recommendation #52 "development of a ten-year plan of retrenchment of overseas activities with a view to making the most effective use of limited resources".

An across-the-board plan of retrenchment of the kind and magnitude proposed by the Commission is not being considered, but the growing involvement of the Department of External Affairs at both the Ministerial level and the level of officials in the Policy and Expenditure Management System, with its focus on long-range strategic and operational planning, will serve to place more emphasis on the determination of priorities and the appropriate allocation of resources to meet them. The current climate of budgetary restraint will also enhance the care with which the Department deploys and manages its resources both at home and abroad. The recent reorganization has provided to the Department structures it needed to strengthen its planning and resource allocation capabilities, and improved long-term planning systems are being devised within the Department and the foreign service. The new structures and systems will enable the Department not only to determine, apply, and assess its priorities and those of the foreign service more readily, but to communicate them more clearly. Their success in bolstering the morale and effectiveness of the foreign service will depend to a substantial degree on the extent to which they sharpen the understanding of foreign service personnel of their mission, of the relevance of their activities and of the value of the contribution they can make, whether at headquarters or at an isolated and difficult post abroad, to the pursuit of Canadian interests and goals.

## FINANCIAL CONSIDERATIONS

The resource implications of the various alternatives examined above are as follows (all financial data in 1982 dollars unless otherwise indicated):

### Status Differentiation and Equity

Nil

### Diplomatic Status, Privileges and Immunities

One additional person year (at \$40,000 per annum) at headquarters would probably be required to launch a programme of negotiations aimed at achieving reciprocal agreements to improve the privileges of support staff.

Use of an amended Post Index methodology to provide a measure of compensation to support staff for the absence of diplomatic privileges may involve no additional cost if an appropriate balance can be established between the indexes set for support staff and diplomatic staff. The alternative approaches identified for providing such compensation would have undetermined but substantial resource implications.

### Education

The Department of External Affairs and the Treasury Board Secretariat are considering carefully whether and in what circumstances a measure of financial support could be provided to employees whose children must attend unusually expensive educational institutions or have recourse to other measures to avoid major educational discontinuity. The subsidization of play school activities would require separate approval in the context of the FSDs; potential costs cannot be estimated without study of the possible demand. Other measures explored in this paper relating to children's education could probably be effected over time within the budgetary resources of the Department of External Affairs.

### Passports

The resources required to implement the decisions taken by the Deputy Prime Minister and Secretary of State for External Affairs are small and are available within already approved Department of External Affairs resources.

### Personal Safety

Nil beyond already approved levels.

### Health Care

The resources required by the Department of External Affairs and Health and Welfare Canada to conduct a mini-clinic trial project at ten posts are available within already approved resource levels.

The provision of additional resources to establish mini-clinics at a larger number of medically-difficult posts would be subject to the outcome of the trial project and to separate approval at a later date. The cost of such an extension would be approximately \$14,500 per mini-clinic to HWC in the initial year and \$6,600 per annum thereafter. The Department of External Affairs would face initial set-up costs of perhaps up to \$7,000 per mini-clinic although the total set-up cost may average substantially less than this for each post. HWC has identified thirty-four posts, in addition to the ten proposed test posts, to which the mini-clinic concept might be extended. Were the concept applied to all these posts, up to six additional medical officers might be required at a total cost of about \$1,000,000 per annum. The number of additional medical officers required might, however, be fewer if some of the medical officers now located at posts with no serious medical deficiencies were redeployed.

Devolution to heads of post of authority to approve medical evacuations might involve slight additional costs absorbable within available resources. The cost of more effective psychological and physical health screening would be met by HWC but could reduce costs associated with medical termination of postings. The anticipated cost of improvements in pre-posting health care briefings is included in the estimated cost below for community support services.

### Recreational Hardship

Additional resources are not at present required beyond those most recently approved by the Treasury Board.

### Staff Accommodation

Additional resources for conversion of private leases to Crown leasing and furnishing are not required at present beyond those most recently approved by the Treasury Board.

Provision of a minimum of two bedrooms in as many staff quarters as possible of sufficient space to permit the accommodation of visitors could probably be accomplished with an annual increase in rent payments of about \$250,000 which could be phased in over a two-year period as leases come up for renewal (\$125,000 in each of the years 1983/84 and 1984/85) and additional expenditure for furniture of about \$150,000. These resources are available in already approved levels.

The question of whether and what additional resources may be required to improve the maintenance of staff quarters abroad is, as indicated earlier, the subject of a study being conducted by the Department's Physical Resources Branch.

A study of the methodology for approving new items of furniture or appliances for staff quarters need not require an increase in financial resources if it were decided that any additional flexibility to be provided to posts in the acquisition of additional labour-saving devices would have to be applied within approved budgets. On the other hand, were it decided, for example, that automatic dishwashers would be provided to most staff quarters that do not now possess them, the additional capital expenditure could reach about \$2,000,000 but be spread over two or more years.

### Recognition of Spouses

Nil

### Communication with Spouses

The establishment of a focal point and other arrangements for greater communication with spouses could be met within the resources approved by the Treasury Board for the establishment and operation of a Community Liaison Office.

### Foreign Service Premium for Spouses

The Royal Commission estimated that a premium paid to spouses abroad calculated at one half the average premium paid to all employees then abroad would cost \$3.3 million per year. If projected to reflect the most recent revisions to the FSDs, this figure would have to be adjusted to some \$3.6 million per annum. Alternatively, a flat payment of, say, \$1,000 per year to each spouse would cost about \$1.2 million per annum.

### Employment and Career Prospects for Spouses

The options explored in this field could require the following incremental resources:

- The cost of providing for employment counselling for spouses, for pursuit of consultations with the Treasury Board Secretariat on questions relating to contracts for spouses, for pursuit of leave without pay arrangements as necessary and for employment-related workshops is covered in the resources approved by the Treasury Board for the Community Liaison Office.
- Departmental payment for recertification retraining of decertified spouses: a \$55,000 per annum (Royal Commission Staff estimate) addition to the cost of the FSDs.
- creation of the position of official residence administrator at each post: 100 - 120 person-years at an annual cost in excess of \$1,000,000, assuming a salary of at least \$10,000 per annum for each position. (The number of person years would be substantially reduced if persons holding such positions were employed on a part-time basis).

The cost of freezing unemployment insurance credits and permitting foreign service spouses to collect unemployment insurance benefits upon return to Canada cannot be estimated because adequate data are not available.

The cost of employing spouses on contract or otherwise at headquarters or at posts would be met within approved budgets.

### Pensions and Other Benefits for Spouses

The alternatives explored either would involve no additional Departmental expenditure or cannot be estimated on the basis of available information. Were it decided to try to conclude bilateral reciprocal arrangements with other countries for the reimbursement of social security contributions made by spouses or other dependants employed abroad, at least one half additional person year might be required at headquarters to coordinate negotiations.

### Canadian Citizenship and Foreign Born Spouses

Nil

### Role of Spouses in Representation

Additional Government expenditure would be required only if it were decided by Departmental headquarters that funds needed to pay for the previously free services of spouses and employees must be found without diminishing the overall representational effort.

### Spouses Remaining in Canada

Substantial broadening of the criteria for paying family separation allowances to Canadian foreign service employees when spouses voluntarily remain in Canada need not entail significant additional Government expenditure if such allowances were set at a level within the limits of the expenditure the Government would otherwise face if spouses and dependants accompanied employees on postings. Other financial measures to alleviate problems of separation, such as payment for telephone calls between an employee at post and a spouse and dependants in Canada would, as possible amendments to the FSDs, be subject to consideration by the NJC and Treasury Board approval. However, without further study, it is not possible to assess the resource implications.

### Conditions of Service for Single Employees

Proposals relating to overtime work, postings, allocation of housing, representational duties and personal safety could be accommodated

within the normal operational budget of the Department of External Affairs. Other proposals, such as assistance with the cost of day-care and telephone calls between a child and a non-custody parent, would be subject to NJC consideration and Treasury Board approval as possible amendments to the FSDs. An estimate of the costs involved would require further study.

#### Foreign Language Training

The additional resources most recently approved by Treasury Board have made a major expansion of foreign language training possible. As indicated above, the provision of further resources beyond those already approved will take into account the results of a study to be undertaken by the Department of External Affairs and the Treasury Board Secretariat and will be considered as part of the annual budgetary process.

#### Community Support Services

The Treasury Board has approved the additional resources required for the establishment and operation of a Community Liaison Office.

The FSCA estimates that in order to provide a limited range of community support services in Ottawa, in addition to those now provided by the Department, it would require initial funding of \$150,000 per year.

Provision of a grant to the FSCA to help pay for an office co-ordinator in Ottawa would require an annual grant of \$10,000 which, subject to appropriate Treasury Board and Parliamentary approval, could be met from the already available resources of the Department of External Affairs.

Establishment of a position of part-time community liaison co-ordinator at several larger posts abroad would cost between \$8,000 and \$12,000 per post.

Printing and mailing costs of a Community Liaison Newsletter published by the Department are judged to be from \$4,000 to \$5,000 per annum.

Expenditures required for the printing of information material relating to foreign service

life prepared for the Department by the FSCA would presumably be modest. No precise estimate can be made, but \$5,000 per annum would probably suffice.

#### Isolation and Availability of Information on Canada

The information material on Canadian affairs already being provided to posts could be better selected and distributed in order to meet the needs of foreign service personnel and their families, without any additional cost. The cost of other approaches would, as outlined in the relevant section of this paper, be substantial.

#### Personal Mail and Parcel Privileges

The cost of a Post Office box in Hull for the renewal of Quebec drivers' licences and of increasing to four the number of nominees from whom employees could be permitted to receive parcels could be met within already approved resources. Other measures do not appear to be warranted at this time.

#### Benefits and Compensation

The cost of possible further amendments to the FSDs depends on the outcome of NJC consultation and separate Treasury Board approval and cannot be accurately estimated at this time.

#### Personnel Administration and Foreign Service Management

Resources required to take measures discussed in the sections of this paper on "The Management of Human Resources" and "Managing the Foreign Service of Tomorrow" are either available within already available resource levels or remain to be determined on the basis of studies now underway or to be undertaken in the future. A substantial increase in funding for training, yet to be determined, would be required in particular.

#### INTERNATIONAL RELATIONS CONSIDERATIONS

Of the possible courses of action explored in this paper, the only ones with a direct bearing on relations with other countries would be the acceleration of efforts to secure a greater number

of reciprocal work agreements for the benefit of spouses and dependants of foreign service employees; the negotiation of reciprocal agreements to improve the privileges accorded to administrative and technical staff; and the negotiation of reciprocal agreements relating to the reimbursement of social security payments made to host country authorities by spouses and dependants employed in host country communities. While efforts to secure such agreements would not have highly sensitive international relations implications, the prospects for success would probably be quite limited in the latter two cases.

#### FEDERAL-PROVINCIAL RELATIONS CONSIDERATIONS

Because of the implications for the assessment and collection of certain provincial taxes, amendment of the Diplomatic and Consular Privileges and Immunities Act and negotiations with other countries to broaden on a reciprocal basis the privileges accorded to administrative and technical staff would, as indicated in the section of this paper on "Diplomatic Status, Privileges and Immunities", require prior consultations with provincial governments.

The Department of External Affairs has raised with Quebec authorities the question, discussed briefly in the section of this paper on "Personal Mail and Parcel Privileges", of facilitating the renewal of the drivers licences of foreign service members and their families abroad who, when in Canada, are normally residents of the Province of Quebec.

Other possible courses of action explored in this paper have no identifiable implications for federal-provincial relations.

#### FOLLOW UP

##### In Parliament

The Royal Commission Report was discussed on three occasions in the Standing Committee on External Affairs and National Defence during consideration of the Main Estimates in the spring of 1982. When appearing before the Committee on March 24, 1982, the then Secretary of State for External Affairs, Dr. MacGuigan, declined to accept the

contention of some Committee members that, as recommended by the Royal Commission, the Report should be referred to the Committee for study separate from the Main Estimates. On May 4, 1982, Dr. MacGuigan provided the Committee with a brief progress report on the review process and on May 6 Miss McDougall appeared as a witness to respond to questions about the Report. The Report was briefly a subject of debate in the House of Commons on June 1, 1982 on a motion by Mr. Crosbie that the House "deplores" inter alia "the failure of the Government to strengthen the Department of External Affairs as recommended by the Royal Commission." Appearing before the House Committee early in 1983, the Deputy Prime Minister and Secretary of State for External Affairs indicated that a public response to the Royal Commission Report was likely to be made in May. It is for consideration whether the Government should table its response to the Report in the House of Commons and report separately to the Committee on measures to be adopted. It can be expected that the Government will be under pressure from members of the Opposition to do both.

#### In Department of External Affairs

When decisions are taken on the Government's response to the Royal Commission Report, it would seem highly desirable that responsibility for coordinating follow-up action and preparing periodic reports on implementation be centralized. This responsibility might best be assigned to the Assistant Deputy Minister (Personnel) and to an appropriate unit of the Personnel Sector of the Department of External Affairs.

#### INTERDEPARTMENTAL CONSULTATION

This discussion paper has been prepared in consultation with officials of the Privy Council Office, the Treasury Board Secretariat, the Public Service Commission, the Department of Finance, Health and Welfare Canada, and the Department of the Secretary of State (Registrar of Canadian Citizenship).

#### PUBLIC INFORMATION CONSIDERATIONS

Judging by reaction to the Royal Commission Report when it was issued, interest outside the foreign service community in the Government's response to the Report is likely to be

relatively limited and brief. Whatever interest there is will probably focus principally on questions relating to spouses and on measures taken to deal with those problems which the Royal Commission considered to be damaging the effectiveness of the foreign service, notably the treatment of various categories of employees and the relationship between headquarters and posts and between policy formulation and program delivery. Some critics in Parliament and elsewhere will consider that not enough is being done to correct problems identified by the Royal Commission, whereas some of those observers who have limited appreciation of the difficulties of foreign service life may conclude that too much has been done. Modest increases in expenditure to improve the conditions of foreign service are unlikely to prompt significantly negative reaction but, in the light of current economic conditions and the substantial improvements made in the foreign service benefits and compensation package in April 1982, major additional expenditures would probably meet considerable criticism. A response that gives weight to non-financial measures would probably be generally well-received, although critics will be seeking assurance that the effectiveness of the foreign service is likely to be enhanced.

There will be some interest in the Government's response among other organizations that maintain staff of their own overseas, including provincial governments, the military and large private sector firms as well as other national governments.

Obviously, members of the foreign service and their families have the greatest interest in the Government's response. Attitudes within the foreign service community range from scepticism on the part of some about the merits of several of the Report's recommendations or about the likelihood that the Government will make substantial changes to anticipation by many others of major improvements in foreign service personnel and administrative policies and in overall conditions of foreign service. As the preceding analysis has shown, views on the issues raised in the Report vary significantly among individuals and interest groups within the foreign service. However, despite this and the generally quite positive reaction to the most recent amendments in the FSDs, the Royal Commission report has had such high profile within the foreign service community that failure to deal as substantively as possible across the full range of the problems it identified would undoubtedly have a damaging effect

on morale. Support staff and their unions will be principally interested in measures taken to reduce differential treatment between them and officers. Many spouses will be disappointed if they are not paid a separate foreign service premium but their chagrin might be substantially offset by a clear commitment by the Government to try to deal more directly with at least the more important of the difficulties they confront as a consequence of foreign service life. Single employees will be concerned to see that their particular concerns have been recognized and that their interests have not been subordinated to those of married employees and spouses. Foreign service officers are, on the whole, likely to be most interested in measures taken to reinforce the professional attractions of a foreign service career.

**TERMS OF REFERENCE FOR ROYAL COMMISSION ON  
CONDITIONS OF FOREIGN SERVICE**

- (1) Order in Council P.C. 1980-2336 approved by His Excellency the Governor General on August 27, 1980\*

Whereas the Committee of the Privy Council has had before it a report of the Prime Minister submitting:

That changes in the scope and content of international relations, in the methods by which those relations are conducted and the conditions and circumstances under which members of the foreign service and their families choose to live in Canada and under which they must live while abroad may not have been adequately recognized in the management of the foreign service;

That failure to take adequate account of these changes could be leading to a decline in the incentives for service abroad and could affect the motivation that has underlain the high professional standards of the Foreign Service and given Canada an enviable reputation for the effectiveness with which its interests are served; and

That the Government wishes to ensure that these high standards are maintained and that the people of Canada continue to benefit from this level of service.

It is, therefore, in the national interest that an inquiry be made into how these changes should be reflected in the Government's approach to the management of foreign service personnel and related foreign service operations.

The Committee, on the recommendation of the Prime Minister, therefore, advise that, pursuant to Part I of the Inquiries Act, Your Excellency in Council may be pleased to appoint, effective September 1, 1980, Pamela A. McDougall as Commissioner to examine into changes in the conditions of foreign service and to report on steps that the Government might take to accommodate them

\* As amended by Orders in Council P.C. 1980-2457 (12 September 1980) and P.C. 1980-2626 (2 October 1980).

in the context of its approach to the legal, administrative and operational frameworks of the Foreign Service, with particular attention to:

- (a) the views of persons serving in the foreign service and their families;
- (b) the views of organizations and associations representing members of the foreign service and their families;
- (c) the views of the departments and agencies responsible for the management of the foreign service; and
- (d) the views of persons both within and outside of Government who make direct use of the foreign service.

The Committee further advise:

1. That the Commissioner be authorized to adopt such procedures and methods as she may from time to time deem expedient for the proper conduct of the inquiry and may sit at such times and at such places in Canada and abroad as she may decide from time to time;
2. That the Commissioner be authorized to exercise all the powers conferred upon her by section 11 of the Inquiries Act;
3. That the officers and employees of departments and agencies of the Government of Canada render such assistance to the Commissioner as she may require for her activities;
4. That the Commissioner be authorized to engage the services of such counsel, staff and technical advisers as she may require at rates of remuneration and reimbursement to be approved by Treasury Board; and
5. That the Commissioner be required to submit a report no later than November 1st, 1981, and file with the Public Archives of Canada the papers and records of the Commission as soon as possible after the conclusion of the inquiry.

REPORT OF ROYAL COMMISSION ON CONDITIONS OF  
FOREIGN SERVICE - RECOMMENDATIONS

**ENVIRONMENT AND THE FAMILY**

1. Spouses be recognized as individuals in their own right and be communicated with directly.
2. The Foreign Service Community Association be funded to provide basic personal and family support services in Ottawa and that the Association itself take steps to ensure that it truly represents and serves the needs of the whole foreign service community at home and abroad.
3. Discrimination in the granting of travel documents to foreign service members be eliminated, that is, that the same type of passport be issued to all foreign service members, their spouses and dependents.
4. Diplomatic status be requested for all service members where there is any question that its absence would jeopardize their personal security or that of their families.
5. Health and Welfare Canada doctors overseas be given diplomatic status and the appropriate passports wherever they are stationed or accredited.
6. Diplomatic status be granted to members of the administrative support staff in recognition of long service.
7. Management take positive action to ensure that non-diplomatic personnel either benefit from diplomatic perquisites or are adequately compensated through the allowance system.
8. Explicit instructions be issued by Ottawa to all posts to ensure equitable treatment of administrative support staff.
9. Steps be taken to create conditions under which spouses have the freedom to fit into foreign service life in the way that best suits their individual needs and choices.
10. The government pay a foreign service premium to spouses based on the premium payable to the employee.

11. A position of official residence administrator be created at each post and that the spouse of the head of post have the right to this position.
12. The Department of External Affairs take special steps to assist foreign-born spouses to acquire citizenship on the basis of the judicial rulings now in force. Furthermore, should there be any move to amend the residence requirements of the current Citizenship Act in such a way as to negate the judicial rulings, the special provisions of the old Citizenship Act should be re-instituted.
13. The employer take all necessary steps to ensure physical security arrangements abroad and that funds earmarked for security be among the 'untouchable' elements of the External Affairs budget.
14. Adequate life and injury insurance arrangements be put in place.
15. Housing be allocated on the basis of family size, with representational responsibilities playing a minor part in the allocation at levels below the rank of counsellor; that accommodation decisions be made on a local relativity basis; and that such decisions be taken at the post with input from a Housing Committee containing adequate administrative staff and spouse representation.
16. The Public Service Health Program overseas be oriented to a more clinical, treatment approach.
17. Access to a basic level of recreational facilities for all foreign service members be a priority for the government and that planning to meet this objective begin immediately.
18. Adequate steps be taken to make up for the lack of Canadian content in the education of foreign service children outside this country.
19. The employer recognize the importance, particularly for francophone employees, of continuity in education for foreign service children.

## **BENEFITS AND COMPENSATION**

20. The administration of the Foreign Service Directives be made more flexible and efficient.

21. There be a redefinition of the general principles behind each section of the Directives; that interpretive guidelines be prepared that clearly show the intent of the regulation; and that, if there must be detailed directives, these be illustrative rather than definitive and not take priority over the principles, guidelines and statements of intent.

22. Authority with respect to the FSDs be delegated to the most directly involved line manager, in most cases the head of post.

23. Post-audit procedures replace pre-payment control.

24. The Post Index system be revised along the lines proposed by our consultant.

25. The value of the Foreign Service Premium cease to be related to the Post Index (with appropriate grandfather clauses for those at posts) and that it be maintained by regular indexing to an appropriate Canadian base.

26. The Post Differential Allowance be increased to meaningful levels, with relatively greater incentives provided for service at the most difficult posts and that consideration be given to increased inducements for those extending in hardship posts.

27. The government drop the relationship established between the Post Differential Allowance and recreation.

28. Existing travel directives (except family reunion) be eliminated and replaced by the right to receive an accountable travel allowance for employees and all dependents up to the equivalent of a return economy air fare to Canada once a year from all posts.

29. Consideration be given to a separate vacation allowance to meet the portion of vacation

costs (excluding air travel) considered likely to be incurred over and above the costs in Canada.

30. Consideration be given to modifying the present Vacation Leave/Option concept to permit the employee to exchange earned vacation leave credits for an additional Vacation Leave Allowance.

31. Rent shares be decreased across the board in order to allow the elimination of deficiency adjustments in rent shares for sub-standard accommodation.

32. There be greater flexibility in the interpretation of relocation expenses in order to fit individual but defensible submissions.

33. Present insurance arrangements for personal effects based on depreciated values be replaced by a package including replacement value coverage and adequate upper limits.

34. Interest-free posting loans with carrying charges be introduced and that the maximum posting loans be raised to more realistic levels and then indexed.

35. Repatriation on retirement be to the employer's Canadian home base, not necessarily to Ottawa.

#### **THE MANAGEMENT OF HUMAN RESOURCES**

36. Central management develop a set of principles for personnel management in the foreign service in which the unique conditions and particular characteristics of foreign service are recognized.

37. The External Affairs Act be amended to assign to the Department of External Affairs clear responsibility for managing the foreign service personnel system.

38. External Affairs senior management make and maintain an absolute commitment to the overriding importance of personnel management.

39. Treasury Board and the Public Service Commission act to support and encourage mobility between the foreign and domestic services.

40. External Affairs, the unions and the employees re-examine the traditional career pattern and co-operatively devise innovative and more flexible approaches to meet changing social and work-related pressures.

41. The legitimate career needs and aspirations of both officers and administrative support staff be given much greater recognition and attention.

42. An element of greater employee initiative and competition be introduced in a number of career aspects.

43. Far greater emphasis be placed on the development of the specialist skills required in today's foreign service.

#### **MANAGING THE FOREIGN SERVICE OF TOMORROW**

44. Concrete steps be taken to correct the widely held view that those in positions of power consider the activities and the product of the foreign service as largely irrelevant to federal government or Canadian objectives.

45. The process of consolidation be carried to full fruition, including the incorporation of the entire Trade Commissioner Service into the consolidated foreign service; that the implementation be led by the centre; and that there be established an objective system for evaluating the progress being made.

46. The existing interdepartmental consolidation agreements be revised and that the Personnel Management Committee be used in the role originally intended, that is, as the forum for the settlement of disputes and the discussion of personnel management issues impinging on the delivery of programs.

47. The External Affairs Act be amended to accomplish the following specific objectives: to designate a single responsibility centre for the management of the consolidated foreign service; to delineate the responsibilities of that service; to establish the authority and responsibility of the head of post; and to recognize the need for occasional exceptions to domestically oriented policies and programs.

48. There be a clear separation of policy and operations at the most senior level in External Affairs and that equal importance be assigned to each.
49. Maximum authority in every area of activity be decentralized to heads of post.
50. The head of post be able to call upon the Inspection Service for objective independent advice.
51. Foreign service management obtain independent advice from the Comptroller General and the Auditor General on budgetary and accounting systems with a view to identifying clearly the overhead costs of doing business abroad.
52. Foreign service management develop a ten-year plan of retrenchment of overseas activities with a view to making the most effective use of limited resources.

#### **IMPLEMENTATION AND REVIEW**

53. The Royal Commission Report be tabled in the House of Commons and referred to the Standing Committee on External Affairs and National Defence; that one year from the date of reference the Department of External Affairs and the central agencies involved report back to the Committee on the steps that have been taken with respect to the recommendations; and that the Committee deal with the report as a separate item on the parliamentary agenda and not as part of the consideration of the Estimates.



